

ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS, Chairman
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON
LEA MÁRQUEZ PETERSON

IN THE MATTER OF THE APPLICATION
OF GLOBAL WATER – PALO VERDE
UTILITIES COMPANY, INC., AN ARIZONA
CORPORATION, FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
FOR UTILITY SERVICE DESIGNED TO
REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY AND FOR CERTAIN RELATED
APPROVALS.

DOCKET NO. SW-20445A-20-0214

RATE APPLICATION

PART 3 OF 4

**NOTICE OF FILING RATE
CASE SCHEDULES IN
SUPPORT OF RATE
APPLICATION**

Global Water – Palo Verde Utilities Company, Inc., in connection with its
contemporaneously filed Rate Application, provides notice of filing the attached Rate
Case Schedules in support of its Rate Application.

RESPECTFULLY SUBMITTED this 28th day of August, 2020.

DocuSigned by:

Timothy J. Sabo

35A991DC587B41E
Timothy J. Sabo

Regulatory Counsel

Certificate of Service

Original of the foregoing
eFiled this 28th day of August, 2020 with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Copies emailed this same date to:

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/s/ Joyce Goodwin

Global Water -Palo Verde Utilities Company - Schedules

Schedule A-1

Test Year Ended December 31, 2019

Computation of Increase in Gross Revenue Requirement

Line No.	DESCRIPTION	[A]	[B]	[C] ORIGINAL COST	[D] FAIR VALUE
1	Adjusted Rate Base			\$ 68,423,298	\$ 68,423,298
2					
3	Adjusted Operating Income (Loss)			\$ 4,529,183	\$ 4,529,183
4					
5	Current Rate of Return (Line 3 /Line 1)			6.62%	6.62%
6					
7	Required Operating Income (Line 9 * Line 1)			\$ 5,782,090	\$ 5,782,090
8					
9	Required Rate of Return			8.45%	8.45%
10					
11	Operating Income Deficiency (Line 7 - Line 3)			\$ 1,252,907	\$ 1,252,907
12					
13	Gross Revenue Conversion Factor			1.368657	1.368657
14					
15	Increase in Gross Revenue Requirements			\$ 1,714,800	\$ 1,714,800
16					
17					
18	Customer	Present	Proposed	Dollar	Percent
19	Classification	Rates*	Rates	Increase	Increase
20					
21	Residential	\$ 17,509,156	\$ 18,399,872	\$ 890,716	5.1%
22	Commercial	962,844	1,012,966	50,122	5.2%
23	Recycled	1,109,227	1,247,020	137,793	12.4%
24					
25	Total of Water Revenues	\$ 19,581,227	\$ 20,659,859	\$ 1,078,632	5.5%
26					
27	Adjustment**	\$ (498,682)	\$ (8,757)	\$ 489,924	
28					
29	TCJA Credit Phase In	\$ (146,244)		\$ 146,244	
30					
31	Miscellaneous Revenues	\$ 434,185	\$ 434,185	\$ -	0.0%
32					
33	Total Operating Revenues	\$ 19,370,486	\$ 21,085,286	\$ 1,714,800	8.9%
34					
35	Total Adjusted Revenues (Schedule C-1)	\$ 19,370,486	\$ 21,085,286	\$ 1,714,800	8.9%
36					
37	*At 2021 Rates				
38	**See Schedule H-1				
39					
40	<u>Supporting Schedules:</u>				
41	B-1				
42	C-1				
43	C-3				
44	H-1				

Global Water -Palo Verde Utilities Company - Schedules

Schedule A-2

Test Year Ended December 31, 2019

Summary of Results of Operations

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2017	12/31/2018	Actual 12/31/2019	Adjusted 12/31/2019	Present Rates 12/31/2021	Proposed Rates 12/31/2021
1	Gross Revenues	\$ 16,837,994	\$ 17,508,961	\$ 18,451,547	\$ 19,370,486	\$ 19,370,486	\$ 21,085,286
2							
3	Revenue Deductions and						
4	Operating Expenses	13,544,204	14,545,232	16,167,726	14,841,303	14,841,303	15,303,197
5							
6	Operating Income	3,293,790	2,963,728	2,283,821	4,529,183	4,529,183	5,782,089
7							
8	Other Income and Deductions	(10,473)	(47,914)	(64,655)	(64,655)	(64,655)	(64,655)
9							
10	Interest Expense	1,739	7,482	2,755	2,755	2,755	2,755
11							
12	Net Income	3,285,056	2,923,297	2,221,921	4,467,283	4,467,283	5,720,189
13							
14	Common Shares	1,000	1,000	1,000	1,000	1,000	1,000
15							
16	Earned Per Average						
17	Common Share	3,285	2,923	2,222	4,467	4,467	5,720
18							
19	Dividends Per						
20	Common Share	NA	NA	NA	NA	NA	NA
21							
22	Payout Ratio	NA	NA	NA	NA	NA	NA
23							
24	Return on Average						
25	Invested Capital	4.30%	3.77%	2.85%	5.72%	5.72%	7.33%
26							
27	Return on Year End						
28	Capital	4.16%	3.84%	2.78%	5.59%	5.59%	7.15%
29							
30	Return on Average						
31	Common Equity	4.30%	3.77%	2.85%	5.72%	5.72%	7.33%
32							
33	Return on Year End						
34	Common Equity	4.16%	3.84%	2.78%	5.59%	5.59%	7.15%
35							
36	Times Bond Interest Earned						
37	Before Income Taxes	NA	NA	NA	NA	NA	NA
38							
39	Times Total Interest and						
40	Preferred Dividends Earned						
41	After Income Taxes	NA	NA	NA	NA	NA	NA
42							
43							
44	Supporting Schedules:						
45	E-2						
46	C-1						
47	F-1						

Global Water -Palo Verde Utilities Company - Schedules

Schedule A-3

Test Year Ended December 31, 2019

Summary of Capital Structure

Line No.	Description	Prior Years Ended		Test Year	Projected Year
		12/31/2017	12/31/2018	12/31/2019	12/31/2021
1	Short-Term Debt	\$ -	\$ -	\$ -	\$ -
2					
3	Long-Term Debt	-	-	-	-
4					
5	Total Debt	-	-	-	-
6					
7	Preferred Stock	-	-	-	-
8					
9	Common Equity	79,060,324	76,140,904	79,957,110	79,957,110
10					
11	Total Capital	79,060,324	76,140,904	79,957,110	79,957,110
12					
13	Capitalization Ratios:				
14					
15	Short-Term Debt	-	-	-	-
16					
17	Long-Term Debt	-	-	-	-
18					
19	Total Debt	-	-	-	-
20					
21	Preferred Stock	-	-	-	-
22					
23	Common Equity	100%	100%	100%	100%
24					
25	Total Capital	100%	100%	100%	100%
26					
27	Weighted Cost of				
28	Short-Term Debt	-	-	-	-
29					
30	Weighted Cost of				
31	Long-Term Debt	-	-	-	-
32					
33	Weighted Cost of				
34	Senior Debt	-	-	-	-
35					
36					
37	Supporting Schedules:				
38	E-1				
39	D-1				
40					

Global Water -Palo Verde Utilities Company - Schedules

Schedule A-4

Test Year Ended December 31, 2019

Construction Expenditures and Gross Utility Plant Placed in Service

Line No.			Construction Expenditures	Net Plant Placed In Service	Gross Utility Plant In Service
1	Prior Year Ended	12/31/2017	\$ 9,047,170	\$6,528,692	\$ 124,624,261
2					
3	Prior Year Ended	12/31/2018	2,402,629	6,115,172	\$130,739,432
4					
5	Test Year Ended	12/31/2019	3,690,612	11,304,761	142,044,193
6					
7	Projected Year Ended	12/31/2020	1,435,625	1,435,625	143,479,818
8					
9					
10					
11					
12					
13	<u>Supporting Schedules:</u>				
14	F-3				
15	E-5				
16					

Global Water -Palo Verde Utilities Company - Schedules

Schedule A-5

Test Year Ended December 31, 2019

Comparative Statement of Changes in Financial Position

Line No.		Prior Years Ended		Test Year 12/31/2019	Projected Year	
		12/31/2017	12/31/2018		Present Rates 12/31/2020	Proposed Rates 12/31/2020
1						
2	Operating Activities					
3	Net income (loss)	\$ 3,285,056	\$ 2,923,297	\$ 2,221,921	\$ 4,467,283	\$ 5,720,189
4	Adjustment to reconcile net income (loss)					
5	Deferred compensation	-	-	-	-	-
6	Depreciation	3,635,568	3,880,867	4,222,759	4,468,360	4,468,360
7	Amortization	-	-	-	-	-
8	Amortization of deferred debt issuance costs and discounts	-	-	-	-	-
9	Write-off of debt issuance costs	-	-	-	-	-
10	Gain on sale of 303 contracts	-	-	-	-	-
11	(Gain) Loss on Equity Investment	-	-	-	-	-
12	Other gains and losses	-	-	-	-	-
13	(Gain) Loss on disposal of fixed assets	(7,963)	16,588	736	736	736
14	Loss on Sale of Willow Valley	-	-	-	-	-
15	Provision for doubtful accounts receivable	68,936	49,037	55,316	55,316	55,316
16	Deferred income tax (benefit) expense	1,447,790	1,562,268	2,254,514	2,254,514	2,254,514
17	Accounts receivables	(108,258)	(27,595)	(153,984)	(153,984)	(153,984)
18	Other Receivables	(65,516)	(41,330)	(9,352)	(9,352)	(9,352)
19	Accrued revenue	(84,396)	(100,196)	(76,719)	(76,719)	(76,719)
20	Infrastructure coordination and financing fee receivable	-	-	-	-	-
21	Income taxes receivable	-	-	-	-	-
22	Other current assets	(18,867)	34,191	13,846	13,846	13,846
23	Accounts payable and other current liabilities	1,463,982	(224,152)	330,860	330,860	330,860
24	Other noncurrent assets	53,144	(5,842,707)	(4,499,316)	(4,499,316)	(4,499,316)
25	Other noncurrent liabilities	-	-	-	-	-
26	Deferred revenue and prepaid ICFA fees	-	-	-	-	-
27	Net cash (used) provided by operating activities	9,669,475	2,230,267	4,360,581	6,851,544	8,104,450
28						
29	Investing Activities					
30	Capital expenditures	(9,410,528)	(2,193,417)	(3,937,464)	(1,435,625)	(1,435,625)
31	Proceeds from the sale of Willow Valley	-	-	-	-	-
32	Proceeds from sale of fixed and intangible assets	-	-	-	-	-
33	(Deposits) withdrawals of restricted cash	(349,805)	296,009	(381,259)	(381,259)	(381,259)
34	Deposits	-	-	-	-	-
35	Advance in aid of construction release	-	-	-	-	-
36	Net cash used in investing activities	(9,760,333)	(1,897,408)	(4,318,723)	(1,816,884)	(1,816,884)
37						
38	Financing Activities					
39	Proceeds from bond	-	-	-	-	-
40	Deposits in bond service fund	-	-	-	-	-
41	Proceeds withdrawn from bond service fund	-	-	-	-	-
42	Repayments of bond debt	-	-	-	-	-
43	(Deposit into)/ redemption from escrow for debt service	-	-	-	-	-
44	Loan borrowings	-	-	-	-	-
45	Loan repayments	-	-	-	-	-
46	Principal payments under capital lease	-	-	-	-	-
47	Payment of Sonoran acquisition liability	-	-	-	-	-
48	Acquisition of utilities, deferred acquisition payments	-	-	-	-	-
49	Financing costs paid	-	-	-	-	-
50	Debt issuance costs paid	-	-	-	-	-
51	Advances in aid of construction	380,975	(27,622)	265,876	265,876	265,876
52	Dividends Paid	-	-	-	-	-
53	Proceeds from sale of stock	-	-	-	-	-
54	Contributions in aid of construction under ICFA agreements	-	-	-	-	-
55	Payments of offering costs for sale of stock	-	-	-	-	-
56	Refunds of advances for construction	(290,118)	(305,239)	(307,734)	(307,734)	(307,734)
57	Net cash (used) provided by financing activities	90,857	(332,860)	(41,858)	(41,858)	(41,858)
58	Net change in cash	(0)	(0)	-	4,992,801	6,245,708
59						
60	Supporting Schedules					
61	E-3					
62	F-2					
63						

Global Water -Palo Verde Utilities Company - Schedules

Schedule B-1

Test Year Ended December 31, 2019

Summary of Fair Value Rate Base

Line No.		Original Cost Rate Base As Filed
1	Plant in Service	142,791,787
2	Less: Accumulated Depreciation	(41,556,907)
3		
4	Net Plant in Service	101,234,880
5		
6	<u>LESS:</u>	
7	Net Contributions in Aid of Construction (CIAC)	1,523,419
8	Advances in Aid of Construction (AIAC)	29,259,099
9	Customer Deposits	677,530
10	Deferred Income Tax Credits	892,283
11		
12	<u>ADD:</u>	
13	Unamortized Finance Charges	
14	Deferred Tax Assets	(420,944)
15	Working Capital	(38,307)
16	Utility Plant Acquisition Adjustment	
17		
18	Original Cost Rate Base	68,423,298
19		
20		
21		
22	<u>Supporting Schedules:</u>	
23	B-2	
24	B-3	
25	E-1	
26	B-5	
27		

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Detail Plant in Service

Schedule B-2

Page 1

Line No.	A Actual Test Year End	B PTYP Adjustment 1 B.2.1	C Adjustment 2 B.2.2	D Adjustment 3 B.2.3	E Adjustment 4 B.2.4	F Adjustment 5 B.2.5	G Adjustment 6 B.2.6	H Adjusted Test Year As Filed
1	Utility Plant in Service							
2	351 Organization	\$ -						\$ -
3	352 Franchises	-						-
4	353 Land and Land Rights	274,552	28,356					302,909
5	354 Structures and Improvements	36,308,015	186,848		(688,031)			35,806,831
6	355 Power Generation Equipment	1,330,871						1,330,871
7	360 Collections Wastewater - Force	5,171,377	15,000					5,186,377
8	361 Collections Wastewater - Gravity	51,120,469	186,732					51,307,200
9	362 Special Collecting Structures	567,112						567,112
10	363 Services to Customers	5,965,025						5,965,025
11	364 Flow Measuring Devices	59,429	13,538					72,967
12	365 Flow Measuring Installations	-						-
13	366 Reuse Services	-						-
14	367 Reuse Meters & Meter Installations	-						-
15	370 Receiving Wells	1,183,361						1,183,361
16	371 Pumping Equipment	5,621,654	306,238					5,927,892
17	374 Reuse Distribution Reservoirs	1,370,840						1,370,840
18	375 Reuse Trans. And Distr. Equipment	14,396,781	6,364					14,403,144
19	380 Treatment and Disposal Equipment	12,834,508	594,144					13,428,651
20	381 Plant Sewers	789,702						789,702
21	382 Outfall Sewer Lines	353,645						353,645
22	389 Other Plant and Misc. Equipment	2,443,673	5,625					2,449,298
23	390 Office Furniture and Equipment	103,022	1,312					104,334
24	390.1 Computer & Software	356,506	45,757					402,263
25	391 Transportation Equipment	543,004						543,004
26	392 Stores Equipment	-						-
27	393 Tools, Shop and Garage Equipment	195,721						195,721
28	394 Laboratory Equipment	16,314						16,314
29	395 Power Operated Equipment	186,183						186,183
30	396 Communication Equipment	79,532						79,532
31	397 Miscellaneous Equipment	593,472	15,000					608,472
32	398 Other Tangible Plant	179,425	30,712					210,137
33		-						-
34		-						-
35		-						-
36	Total Utility Plant in Service	142,044,193	1,435,625	-	(688,031)	-	-	142,791,787
37								
38	107 Construction Work in Progress	16,244,924			140,824			16,385,748
39								
40	Total Plant	158,289,117	1,435,625	-	(547,207)	-	-	159,177,535
41								
42	Total Accum. Depreciation	(41,808,554)	(46,971)		11,467	287,150		(41,556,907)
43								
44	Total Net Plant	116,480,563	1,388,654	-	(676,564)	287,150	-	117,620,628

Supporting Schedule
E-1Recap Schedules
B-1

Global Water -Palo Verde Utilities Company - Schedules
Test Year Ended December 31, 2019

Schedule B-2
Page 2 of 2

	UNADJUSTED	ADJ #B1	ADJ #B2	ADJ #B3	ADJ #B4	ADJ #B5	ADJ #B6	ADJ #B7	ADJUSTED
Gross Plant in Service	142,044,193	1,435,625	-	-	(688,031)	-	-	-	142,791,787
Less:									
Accumulated Depreciation	(41,808,554)	(46,971)	-	-	11,467	287,150	-	-	(41,556,907)
Net Plant in Service	100,235,639	1,388,654	-	-	(676,564)	287,150	-	-	101,234,880
Less:									
Advances in Aid of Constructio	29,259,099								29,259,099
Contributions in Aid of Construction									
Gross	1,712,515								1,712,515
Accumulated Amortizati	(189,096)								(189,096)
Net Contributions in Aid of Co	1,523,419								1,523,419
Deferred Income Tax	5,802,851	(2,327)	(4,908,241)						892,283
Customer Deposits	677,530								677,530
Add:									
Working Capital	(38,307)								(38,307)
Deferred Tax Assets	-		(420,944)						(420,944)
Total Rate Base:	62,934,434	1,390,981	4,487,297	-	(676,564)	287,150	-	-	68,423,298

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Adjustment B 2.1 Post Test Year Plant

Schedule B-2.1

Adjustment 1

LINE NO.

	NARUC	Asset Cost Projects Completed as of Filing	Adjustments	901 Allocation	Projected Thru 2020 Year End	Total	Depreciation Rate	Depreciation Expense
1								
2	353	28,356	-	-	-	28,356	0%	-
3	354	159,848	-	-	27,000	186,848	3.33%	6,222
4	360	-	-	-	15,000	15,000	2.00%	300
5	361	148,732	-	-	38,000	186,732	2.00%	3,735
6	364	13,538	-	-	-	13,538	10.00%	1,354
7	371	151,238	-	-	155,000	306,238	12.50%	38,280
8	375	6,364	-	-	-	6,364	2.50%	159
9	380	594,144	-	-	-	594,144	5.00%	29,707
10	389	5,625	-	-	-	5,625	6.67%	375
11	390	-	-	1,312	-	1,312	6.67%	88
12	390.1	4,826	-	40,931	-	45,757	20.00%	9,151
13	395	395,811	(395,811)	-	-	-	5.00%	-
14	397	-	-	-	15,000	15,000	10.00%	1,500
15	398	20,712	-	-	10,000	30,712	10.00%	3,071
16	TOTAL	1,529,193	(395,811)	42,243	260,000	1,435,625		93,942

Accumulated Depreciation With Half Year Convention

\$ 46,971

AD Tax*	\$	35,891
AD Regulatory		46,971
Difference		(11,080)
Tax Rate		21%
Change in ADIT		(2,327)

*5% Depreciation Rate Applied to all Plant

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule B-2.2

Adjustment B 2.2 Deferred TaxLINE
NO.

1	Deferred Tax Liability (Book)	5,802,851
2	Less	
3	Assets affected by Valencia Deferred Gain	4,908,241
4	Deferred Tax Liability (Adjusted)	894,610
5		
6		
7	Deferred Tax Assets (Book)	0
8	Less	
9	Deferred Compensation	347,628
10	Management Options	73,316
11	Total Adjustment	420,944
12		
13	Deferred Tax Assets (Adjusted)	(420,944)
14		
15		
16		
17		
18		
19		

Global Water -Palo Verde Utilities Company - Schedules

Schedule B-2.4

Test Year Ended December 31, 2019

Adjustment B 2.4 Groves Plant Write Off

LINE NO.

1	Account 354 Book	36,308,015
2	Less Groves Transfer to CWIP	(140,824)
3	Less Groves Plant Write Off (Account 354)	(547,207)
4	Account 354 Book Adjusted	35,619,983
5		
6	Reversal of Accumulated Depreciation	11,467

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule B-2.5

Rate Base Adjustment 5 Accumulated Depreciation Restatement

Line

No.

- 1 Adjustment to accumulated depreciation to account for
 2 assignment of correct service lives.

3

			Retained	
	NARUC	2019 Depr	Earnings	Total Accum
4	Account	Adjustment	Adjustment	Depr Adjust
5	354	(575)	80,736	80,161
6	355	(0)	4,758	4,758
7	360	0	(69,656)	(69,656)
8	361	(0)	(120,659)	(120,659)
9	362	11	(832)	(821)
10	363	0	(8,622)	(8,622)
11	364	66	299	365
12	370	(0)	(1,555)	(1,555)
13	371	901	5,323	6,223
14	374	(6,154)	(70,774)	(76,929)
15	375	(20,189)	(86,891)	(107,079)
16	380	3,162	24,818	27,980
17	381	0	(9,730)	(9,730)
18	382	(0)	887	887
19	389	293	7,200	7,493
20	390.1	(467)	(621)	(1,088)
21	393	(186)	(1,554)	(1,740)
22	394	11	82	93
23	396	1,399	(2,780)	(1,382)
24	398	6,340	(22,190)	(15,850)
25	TOTAL	(15,388)	(271,762)	(287,150)
26				
27	Accumulated Depreciation Book			(41,808,554)
28				
29	Adjustment 2.5			287,150
30				
31	Accumulated Depreciation Adjusted			(41,521,403)
32				
33				

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule B-3

Schedule B-3 RCND Rate Base Pro forma

LINE NO.

- 1 The Company has opted not to perform a RCND study and adopts its
- 2 original cost rate base as the fair value rate base.
- 3
- 4
- 5
- 6

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule B-4

Schedule B-4 RCND By Major Plant Account

LINE NO.

- 1 The Company has opted not to perform a RCND study and adopts its
- 2 original cost rate base as the fair value rate base.
- 3
- 4
- 5
- 6

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule B-5 Computation of Working Capital

Schedule B-5

Page 1 of 2

LINE NO.

		Test Year Results	Revenue Lag Days	Expense Lag Days	Net Lag Days	Lead / Lag Factor	Working Cash Requirement
1	Operating Expenses						
2							
3	Purchased Power	\$ 1,644,009	\$ 39	\$ 24	\$ 16	\$ 0	\$ 71,683
4	Payroll	5,849,624	39	9	31	0	492,369
5	Chemicals	265,021	39	17	22	0	16,221
6	Property & Liability Insurance	280,025	39	2	37	0	28,546
7	Worker's Compensation Insurance	90,650	39	(69)	108	0	26,932
8	Medical, Vision, Dental, LTD & Life Insurance	642,050	39	3	36	0	63,543
9	Other O&M (Excluding Rate Case Expense)	1,053,862	39	38	1	0	3,028
10	Federal Income Taxes	86,375	39	38	2	0	463
11	State Income Taxes	141,000	39	38	2	0	757
12	FICA Taxes	371,590	39	9	31	0	31,277
13	FUTA & SUTA Taxes	4,979	39	9	31	0	419
14	Property Taxes	2,165,582	39	180	(140)	(0)	(831,277)
15	Registration, Svc. Contracts, & Misc. Fees	1,683,381	39	34	5	0	24,643
16	Retirement Annuities (401k)	163,492	39	66	(26)	(0)	(11,665)
17							
18	Total	\$ 14,441,639					\$ (83,060)
19							
20							
21	Supporting Schedules						Recap Schedules
22	(a) E-1						B-1
23							
24							

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule B-5 Computation of Working Capital

Schedule B-5

Page 2 of 2

LINE NO.

			2019 Year	Allocation	
	Total Working Cash		End	Percent	of
	Requirement		Counts	Allocation	Working
1					Capital
2	\$ (83,059.87)	Palo Verde	21,109	46.1%	\$ (38,307)
3		Santa Cruz	21,357	46.7%	(38,757)
4		North Scottsdale	92	0.2%	(167)
5		Tonopah	413	0.9%	(749)
6		Eagletail	57	0.1%	(103)
7		Turner Ranches	963	2.1%	(1,748)
8		Red Rock Sewer	883	1.9%	(1,602)
9		Red Rock Water	896	2.0%	(1,626)
10			45,770		
11					
12		Palo Verde RRS Consolidated			(39,909)
13		Santa Cruz RRW Consolidated			(40,383)
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-1

Test Year Ended December 31, 2019

Adjusted Test Year Income Statement

Line No.		[A]	[B]	[C]	[D]	[E]
		Actual Test Year	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Proposed Rate Increase	Adjusted With Rate Increase
1	Operating Revenue					
2	521 Flat Rate Revenues	17,109,428	918,939	18,028,367	1,714,800	19,743,167
3	522 Measured Revenues	907,934	-	907,934	-	907,934
4	534 Rents from Wastewater Property	63,911	-	63,911	-	63,911
5	536 Other Wastewater Revenues	370,274	-	370,274	-	370,274
6		-	-	-	-	-
7		-	-	-	-	-
8	Total Revenues	18,451,547	918,939	19,370,486	1,714,800	21,085,286
9						
10	Operating Expenses					
11	701 Salaries and Wages	3,004,769	387,105	3,391,873	-	3,391,873
12	704 Employee Pensions and Benefits	417,697	-	417,697	-	417,697
13	710 Purchased Wastewater Treatment	-	-	-	-	-
14	711 Sludge Removal Expense	13,904	-	13,904	-	13,904
15	715 Purchased Power	661,985	18,264	680,249	-	680,249
16	716 Fuel for Power Production	-	-	-	-	-
17	718 Chemicals	233,931	6,454	240,386	-	240,386
18	720 Materials and Supplies	37,549	-	37,549	-	37,549
19	720.1 Repairs and Maintenance	144,973	-	144,973	-	144,973
20	720.2 Office Supplies and Expense	-	-	-	-	-
21	721 Office Expense	119,137	19,362	138,499	-	138,499
22	731 Contractual Services -Engineering	-	-	-	-	-
23	732 Contractual Services - Accounting	333,326	-	333,326	-	333,326
24	733 Contractual Services - Legal	240,077	-	240,077	-	240,077
25	734 Contractual Services - Management Fees	856,672	(856,672)	-	-	-
26	735 Contractual Services - Testing	37,498	-	37,498	-	37,498
27	736 Contractual Services - Other	253,198	452,546	705,744	-	705,744
28	740 Rents - Building	81,747	-	81,747	-	81,747
29	Intentionally Left Blank	-	-	-	-	-
30	742 Rents - Equipment	29,782	-	29,782	-	29,782
31	750 Transportation Expenses	101,455	-	101,455	-	101,455
32	756 Insurance - Vehicle	-	-	-	-	-
33	757 Insurance - General Liability	196,398	-	196,398	-	196,398
34	758 Insurance - Worker's Compensation	42,755	-	42,755	-	42,755
35	759 Insurance - Other	-	-	-	-	-
36	760 Advertising Expense	13,698	-	13,698	-	13,698
37	766 Regulatory Commission Expense - Rate Case	-	-	-	-	-
38	767 Regulatory Commission Expense - Other	32,503	(24,862)	7,641	-	7,641
39	770 Bad Debt Expense	55,316	2,755	58,070	5,141	63,211
40	775 Miscellaneous Expense	1,285,542	19,362	1,304,904	-	1,304,904
41	403 Depreciation Expense	4,222,760	245,600	4,468,360	-	4,468,360
42	408 Taxes Other Than Income	94,767	-	94,767	-	94,767
43	408.11 Property Taxes	1,166,305	304,206	1,470,511	41,986	1,512,497
44	408.12 Payroll Taxes	175,543	-	175,543	-	175,543
45	408.13 Other Taxes and Licenses	2,690	-	2,690	-	2,690
46	409 Income Taxes	2,311,750	(1,900,543)	411,207	414,767	825,974
47	Total Operating Expenses	16,167,726	(1,326,423)	14,841,303	461,894	15,303,197
48						
49	Operating Income / (Loss)	2,283,821	2,245,362	4,529,183	1,252,906	5,782,089
50						
51	Other Income / (Expense)					
52	414 Gain/Loss on Dispositions	(736)	-	(736)	-	(736)
53	419 Interest and Dividend Income	2,755	-	2,755	-	2,755
54	421 Non-Utility Income	(7,007)	-	(7,007)	-	(7,007)
55	426 Miscellaneous Non-Utility (Expense)	(862)	-	(862)	-	(862)
56	427 Interest (Expense)	(56,049)	-	(56,049)	-	(56,049)
57	Total Other Income / (Expense)	(61,900)	-	(61,900)	-	(61,900)
58						
59	Net Income / (Loss)	2,221,921	2,245,362	4,467,283	1,252,906	5,720,189
60						
61	Supporting Schedules E-2 and C-2				Recap Schedules A-1	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
		Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9	Adjustment 10	Adjustment 11	Adjustment 12	Adjustment 13	Adjustment 14	Adjustment 15	Adjusted	Adjustment 16	Adjustment 17	Adjustment 18	Adjustment 19	Adjustment 20	Adjusted
Line No.	Actual Test Year	Bad Debt C.2.1	Property Tax C.2.2	Income Tax C.2.3	Rate Phase In C.2.4	Depreciation C.2.5	Payroll Adjustments C.2.6	Bonus Exclusion C.2.7	FATHOM C.2.8	Half Year Com. C.2.9	CAP Removal C.2.10	Annualization C.2.11	Groves Plant Depreciation C.2.12	Depreciation Restatement C.2.13	C.2.14	C.2.15	Test Year As Filed	Bad Debt C.2.1	Property Tax C.2.2	Income Tax C.2.3	Revenue Increase A-1	Income Tax C.2.3	With Rate Increase
Operating Revenue																							
521 Flat Rate Revenues	17,109,428				395,501							523,438					18,028,367				1,714,800		19,743,167
522 Measured Revenues	907,934																907,934						907,934
534 Rents from Wastewater Property	63,911																63,911						63,911
536 Other Wastewater Revenues	370,274																370,274						370,274
	-																-						-
Total Revenues	18,451,547																19,370,488						21,085,286
Operating Expenses																							
701 Salaries and Wages	3,004,769						403,322	(382,377)	366,160								3,391,873						3,391,873
704 Employee Pensions and Benefits	417,697																417,697						417,697
710 Purchased Wastewater Treatment	-																-						-
711 Sludge Removal Expense	13,904																13,904						13,904
715 Purchased Power	661,985																660,249						660,249
716 Fuel for Power Production	-												18,264				-						-
718 Chemicals	233,931																240,386						240,386
720 Materials and Supplies	37,549																37,549						37,549
720.1 Repairs and Maintenance	144,973																144,973						144,973
720.2 Office Supplies and Expense	-																-						-
721 Office Expense	119,137								19,362								138,499						138,499
731 Contractual Services -Engineering	-																-						-
732 Contractual Services - Accounting	333,326																333,326						333,326
733 Contractual Services - Legal	240,077																240,077						240,077
734 Contractual Services - Management Fees	656,672								(856,672)								-						-
735 Contractual Services - Testing	37,498																37,498						37,498
736 Contractual Services - Other	253,198								452,546								705,744						705,744
740 Rents - Building	81,747																81,747						81,747
742 Rents - Equipment	29,782																29,782						29,782
750 Transportation Expenses	101,455																101,455						101,455
756 Insurance - Vehicle	-																-						-
757 Insurance - General Liability	196,398																196,398						196,398
758 Insurance - Workers Compensation	42,755																42,755						42,755
759 Insurance - Other	-																-						-
760 Advertising Expense	13,698																13,698						13,698
766 Regulatory Commission Expense - Rate Case	-																-						-
767 Regulatory Commission Expense - Other	32,903																7,641						7,641
770 Bad Debt Expense	55,316	2,755									(24,862)						58,070	5,141					63,211
776 Miscellaneous Expense	1,285,542								19,362								1,304,904						1,304,904
403 Depreciation Expense	4,222,760					46,971							(11,467)	(15,388)			4,468,360						4,468,360
408 Taxes Other Than Income	94,767																94,767						94,767
408.11 Property Taxes	1,166,305		304,206														1,470,511		41,866				1,512,497
408.12 Payroll Taxes	175,543										225,484						175,543						175,543
408.13 Other Taxes and Licenses	2,690																2,690						2,690
409 Income Taxes	2,311,750			(1,900,543)													411,207			414,767			825,974
Total Operating Expenses	16,167,726	2,755	304,206	(1,900,543)	-	46,971	403,322	(382,377)	758	225,484	(24,862)	24,719	(11,467)	(15,388)	-	-	14,841,303	5,141	41,866	414,767	-	-	15,303,197
Operating Income / (Loss)	2,283,821	(2,755)	(304,206)	1,900,543	-	(46,971)	(403,322)	382,377	(758)	(225,484)	24,862	(24,719)	11,467	15,388	-	-	4,629,183	(5,141)	(41,866)	(414,767)	-	-	5,782,089
Other Income / (Expense)																							
414 Gain/Loss on Dispositions	(736)																(736)						(736)
419 Interest and Dividend Income	2,755																2,755						2,755
421 Non-Utility Income	(7,007)																(7,007)						(7,007)
426 Miscellaneous Non-Utility (Expense)	(862)																(862)						(862)
427 Interest (Expense)	(56,049)																(56,049)						(56,049)
Total Other Income / (Expense)	(61,900)																(61,900)						(61,900)
Net Income / (Loss)	2,221,921	(2,755)	(304,206)	1,900,543	-	(46,971)	(403,322)	382,377	(758)	(225,484)	24,862	(24,719)	11,467	15,388	-	-	4,467,283	(5,141)	(41,866)	(414,767)	-	-	5,720,189

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-2.1

Test Year Ended December 31, 2019

Income Statement Adjustment 1 & 16

Adjust Bad Debt Expense for Change in Revenue Levels

Line

No.

1	Bad Debt Expense - Test Year Actual (Sch C-2)	\$ 55,316
2	Actual Test Year Revenues (Sch C-2)	18,451,547
3	Bad Debt Expense Rate	0.2998%
4		
5		
6	Adjusted Test Year Revenues (Sch C-2)	\$ 19,370,486
7	Bad Debt Expense Rate	0.2998%
8	Expected Bad Debt Expense	\$ 58,070
9		
10	Adjustment to Bad Debt Expense Based on Adjusted Test Year Revenues	\$ 2,755
11		
12		
13	Proposed Revenues (Sch C-2)	\$ 21,085,286
14	Bad Debt Expense Rate	0.2998%
15	Expected Bad Debt Expense Based on Proposed Revenues	\$ 63,211
16		
17	Adjustment to Bad Debt Expense	\$ 5,141
18		
19		
20		

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-2.2

Test Year Ended December 31, 2019

Income Statement Adjustments 2 & 17

Adjustment to Property Tax

Line No.		Test Year As Adjusted	Proposed
1	Adjusted Test Year Revenues	\$ 19,370,486	\$ 19,370,486
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	38,740,971	\$ 38,740,971
4	Proposed Revenue Requirement	19,370,486	\$ 21,085,286
5	Subtotal (Line 3 + Line 4)	58,111,457	59,826,258
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	19,370,486	\$ 19,942,086
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	38,740,971	\$ 39,884,172
10	Plus: 10% of CWIP -	1,624,492	1,624,492
11	Less: Net Book Value of Licensed Vehicles	326,325	326,325
12	Full Cash Value (Line 9 + Line 10 - Line 11)	40,039,139	\$ 41,182,339
13	Assessment Ratio	18.0%	18.0%
14	Assessment Value (Line 12 * Line 13)	7,207,045	\$ 7,412,821
15	Composite Property Tax Rate	20.4038%	20.4038%
16			
17	Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 1,470,511	
18	Actual Test Year Property Tax Expense	1,166,305	
19			
20	Test Year Adjustment (Line 17-Line 18)	\$ 304,206	
21	Property Tax - Recommended Revenue (Line 14 * Line 15)		\$ 1,512,497
22	Test Year Adjusted Property Tax Expense (Line 17)		1,470,511
23	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ 41,986
24			
25	Increase to Property Tax Expense		\$ 41,986
26	Increase in Revenue Requirement		1,714,800
27	Increase to Property Tax per Dollar Increase in Revenue (Line 25/Line 26)		2.448456%
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-2.3

Test Year Ended December 31, 2019

Income Statement Adjustments 3 & 20

Income Taxes

LINE NO.	DESCRIPTION	[A] TEST YEAR ACTUAL	[B] ADJUSTMENTS	[C] ADJUSTED TEST YEAR AS FILED
1	Income Taxes	\$ 2,311,750	\$ (1,900,543)	\$ 411,207
2				
3				
4		ADJUSTED TEST		ADJUSTED WITH
5	DESCRIPTION	YEAR AS FILED	ADJUSTMENTS	RATE INCREASE
6				
7		\$ 411,207	\$ 414,767	\$ 825,974
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-2.4

Test Year Ended December 31, 2019

Income Statement Adjustments 4

Phase In of Rates Through 2021

LINE NO.	DESCRIPTION	[A] TEST YEAR ACTUAL	[B] ESTIMATED 2020 RATE PHASE IN REVENUE IMPACT	[C] ESTIMATED 2021 RATE PHASE IN REVENUE IMPACT	[D] 2020 TCJA Credit Impact Relative to 2019	[E] 2021 TCJA Credit Impact Relative to 2020	[D] ADJUSTED TEST YEAR AS FILED
1	Flat Rate Revenues	\$ 17,109,428	\$ 269,607	\$ 272,138	\$ (73,122)	\$ (73,122)	\$ 17,504,929
2							
3	Total 2020 - 2021 ADJUSTMENT						
4	\$ 395,501						
5							
6							
7	TCJA Bill Credit 2019	522,537 *					
8	TCJA Bill Credit 2020	595,659 *					
9	Change	(73,122)					
10							
11	TCJA Bill Credit 2020	595,659 *					
12	TCJA Bill Credit 2021	668,781 *					
13	Change	(73,122)					
14							
15	*Per Decision No. 76901						

[illegible]

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-2.6

Test Year Ended December 31, 2019

Income Statement Adjustments 6

Payroll Adjustments

Line		202	602	262	662	630	654	626	658
				Red Rock	Red Rock				
Number	Position Title	Palo Verde	Santa Cruz	Sewer	Water	Tonopah	Eagletail	Scottsdale	Turner Ranches
1	O&M 2019 Vacancies (Salary plus benefits)								
2	Maintenance Engineer	-	-	-	-	55,689	7,686	12,405	-
3	Client Services Analyst	5,185	5,185	-	-	-	-	-	-
4	Water Quality Technician	10,590	10,727	436	459	207	23	46	482
5	Instrumental Control Specialist	9,742	9,742	-	-	-	-	-	-
6	Asset Mgmt & Maintenance Superintendent	2,021	2,021	-	-	-	-	-	-
7	Operator 1 - PVUC Only	-	-	3,165	3,212	-	-	-	-
8	Operator 1 - Maricopa PV Split	25,184	2,798	-	-	-	-	-	-
9	Operator 1 - Maricopa PV Split	27,387	3,043	-	-	-	-	-	-
10	Operator 1 - Maricopa SC Split	1,777	15,995	-	-	-	-	-	-
11	Total O&M 2019 Vacancies	81,885	49,512	3,602	3,671	55,896	7,709	12,451	482
12									
13	O&M New Positions 2020 (Salary plus benefits)								
14	West Valley OPS	-	-	-	-	46,690	6,444	10,401	-
15	West Valley OPS on call	-	-	-	-	4,101	566	913	-
16	Env Compliance Supervisor	59,888	60,668	2,468	2,598	1,169	130	260	2,728
17	EMMT I	36,099	36,099	-	-	-	-	-	-
18	Total O&M New Positions 2020	95,988	96,767	2,468	2,598	51,960	7,140	11,574	2,728
19									
20	G&A 2019 Vacancies (Salary plus Benefits)								
21	Development Services Project Manager	32,302	32,723	1,331	1,401	631	70	140	1,471
22	Regulatory Accountant	24,227	24,542	998	1,051	473	53	105	1,104
23	Safety and Programs Coordinator	19,568	19,822	806	849	382	42	85	891
24	Total G&A 2019 Vacancies	76,097	77,087	3,136	3,301	1,486	165	330	3,466
25									
26	G&A New Positions 2020 (Salary plus Benefits)								
27	Engineer	18,574	18,816	766	806	363	40	81	846
28	Director of IT	99,835	101,135	4,115	4,331	1,949	217	433	4,548
29	Water Resources Support Specialist	30,943	31,346	1,275	1,342	604	67	134	1,410
30	Total G&A New Positions 2020	149,352	151,296	6,156	6,479	2,916	324	648	6,803
31									
32	Total Adjustment to Salaries and Wages 601	403,322	374,662	15,362	16,050	112,257	15,338	25,003	13,480

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule C-2.7

Income Statement Adjustment 7

Employee Bonus and Options

LINE

NO.

Salaries and Wages Expense Adjustment to Remove 50% of Bonus

1	Expense and Options Expense for CEO and CFO	
2	701 Salaries and Wages	3,004,769
3		
4	Bonus Expense Excluded	(57,884)
5		
6	Deferred Comp excluded	(169,481)
7		
8	Employee Options Expense	(155,012)
9	Total Adjustment	(382,377)
10		
11	Adjusted 701 Salaries and Wages	3,387,146

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule C-2.9

Income Statement Adjustment 9

Adjustment to Remove Half Year Convention for deprecation of plant added during test year

Line Number	Account No.	Description	Palo Verde
	351	Organization	-
1	352	Franchises	-
2	353	Land and Land Rights	-
3	354	Structures and Improvements	127,648
4	355	Power Generation Equipment	-
5	360	Collections Wastewater - Force	88
6	361	Collections Wastewater - Gravity	12,708
7	362	Special Collecting Structures	1,425
8	363	Services to Customers	5,241
9	364	Flow Measuring Devices	244
10	365	Flow Measuring Installations	-
11	366	Reuse Services	-
12	367	Reuse Meters & Meter Installations	-
13	370	Receiving Wells	-
14	371	Pumping Equipment	34,725
15	374	Reuse Distribution Reservoirs	168
16	375	Reuse Trans. And Distr. Equipment	321
17	380	Treatment and Disposal Equipment	17,488
18	381	Plant Sewers	1,150
19	382	Outfall Sewer Lines	-
20	389	Other Plant and Misc. Equipment	885
21	390	Office Furniture and Equipment	1,427
22	390.1	Computer & Software	7,571
23	391	Transportation Equipment	16,504
24	392	Stores Equipment	-
25	393	Tools, Shop and Garage Equipment	81
26	394	Laboratory Equipment	-
27	395	Power Operated Equipment	30
28	396	Communication Equipment	-
29	397	Miscellaneous Equipment	568
30	398	Other Tangible Plant	1,943
31		Subtotal	230,214

Less: Amortization of CIAC (4,730)

DEPRECIATION EXPENSE	225,484
-----------------------------	----------------

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Schedule C-2.10

Income Statement Adjustments 10

Remove Customer Assistance Program (CAP) Expense

Line

Number

1		
2		
3	767 Regulatory Commission Expense - Other	32,503
4	Allocated CAP Expense	24,862
5	Adjusted 667 Regulatory Commission Expense - Other	7,641
6		
7		
8		
9		
10		
11		
12		
13		

Global Water - Palo Verde Utilities Company

Schedule C-2.11

Test Year Ended December 31, 2019

Income Statement Adjustment 11

Remove Annualization Revenue & Expense to reflect End-of-Test Year Customer Counts

Line No.	Class of Service	(A) Average No. of Customers Per Bill Count Sch. H-2 Col. A	(B) Year-End Number of Customers	(C) Average Additional Customers [B - A]	(D) Average Bill	(E) Additional Revenues at Present Rates
1	5/8" Residential	700	700	-	68	\$ -
2	3/4" Residential	19,723	20,276	553	68	451,639
3	1" Residential	9	9	-	170	-
4	1.5" Residential	-	-	-	-	-
5	2" Residential	-	-	-	-	-
6	Subtotal Residential	20,432	20,985	553		451,639
7						
8						
9	5/8" Commercial	4	4	-	68	-
10	3/4" Commercial	4	5	1	68	817
11	1" Commercial	23	27	4	170	8,160
12	1.5" Commercial	40	41	1	340	4,084
13	2" Commercial	73	82	9	544	58,739
14	3" Commercial	6	6	-	1,089	-
15	4" Commercial	5	5	-	1,702	-
16	Subtotal Commercial	155	170	15		71,799
17						
18	Recycled Water	11	11	-	2,958	-
19						
20	Totals	20,598	21,166	568		523,438

Class of Expense	Average Cost Per Gallons Sold Per Sch. E-7	Additional K Gallons To Be Sold	Additional Cost From Customer Growth
Pumping	\$ 0.61	30,017	\$ 18,264
Chemicals, Consumables and Supplies	0.22	30,017	6,454
Totals			\$ 24,719

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-2.12

Test Year Ended December 31, 2019

Income Statement Adjustment 12

Groves Plant Depreciation Expense Reversal

LINE NO.

1	Account 354 Book	36,308,015
2	Less Groves Transfer to CWIP	(140,824)
3	Less Groves Plant Write Off (Account 354)	(547,207)
4	Account 354 Book Adjusted	35,619,983
5		
6	Reversal of Depreciation Expense	11,467

Global Water -Palo Verde Utilities Company - Schedules

Schedule C-2.13

Test Year Ended December 31, 2019

Income Statement Adjustment 13 Depreciation Restatement

Line

No.

1 Adjustment to depreciation expense to account for
2 assignment of correct service lives.

3

	NARUC	2019 Depr	Retained	Total Accum
4	Account	Adjustment	Earnings Adjustment	Depr Adjust
5	354	(575)	80,736	80,161
6	355	(0)	4,758	4,758
7	360	0	(69,656)	(69,656)
8	361	(0)	(120,659)	(120,659)
9	362	11	(832)	(821)
10	363	0	(8,622)	(8,622)
11	364	66	299	365
12	370	(0)	(1,555)	(1,555)
13	371	901	5,323	6,223
14	374	(6,154)	(70,774)	(76,929)
15	375	(20,189)	(86,891)	(107,079)
16	380	3,162	24,818	27,980
17	381	0	(9,730)	(9,730)
18	382	(0)	887	887
19	389	293	7,200	7,493
20	390.1	(467)	(621)	(1,088)
21	393	(186)	(1,554)	(1,740)
22	394	11	82	93
23	396	1,399	(2,780)	(1,382)
24	398	6,340	(22,190)	(15,850)
25	TOTAL	(15,388)	(271,762)	(287,150)

26

27 Depreciation Expense Book 4,222,760

28

29 Adjustment 2.13 (15,388)

30

31 Depreciation Expense Adjusted 4,207,372

32

33

Global Water -Palo Verde Utilities Company - Schedules
Test Year Ended December 31, 2019
Adjusted Test Year Income Statement

Schedule C-3
Page 1

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	24.8710%
2	Uncollectible Revenue Effective Rate	0.2252%
3	Property Taxes Effective Rate	1.8395%
4	Total Tax Percentage	26.9357%
5		
6	Operating Income % = 100% - Tax Percentage	73.0643%
7		
8		
9		
10		
11	<u>1</u> = Gross Revenue Conversion Factor	
12	Operating Income %	1.368657
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
24	C-3, page 2	A-1
25		
26		
27		
28		

Global Water -Palo Verde Utilities Company - Schedules
 Test Year Ended December 31, 2019
 Adjusted Test Year Income Statement

Schedule C-3
 Page 2

GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Gross Revenue Conversion Factor:</u>							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.2252%					
3	Revenues (L1 - L2)	99.7748%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	26.7105%					
5	Subtotal (L3 - L4)	73.0643%					
6	Revenue Conversion Factor (L1 / L5)	1.368657					
<u>Calculation of Uncollectible Factor:</u>							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (L17)	24.8710%					
9	One Minus Combined Income Tax Rate (L7 - L8)	75.1290%					
10	Uncollectible Rate	0.2998%					
11	Uncollectible Factor (L9 * L10)		0.2252%				
<u>Calculation of Effective Tax Rate:</u>							
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
13	Arizona State Income Tax Rate	4.9000%					
14	Federal Taxable Income (L12 - L13)	95.1000%					
15	Applicable Federal Income Tax Rate (L55 Col F)	21.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	19.9710%					
17	Combined Federal and State Income Tax Rate (L13 + L16)		24.8710%				
<u>Calculation of Effective Property Tax Factor:</u>							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	24.8710%					
20	One Minus Combined Income Tax Rate (L18-L19)	75.1290%					
21	Property Tax Factor	2.4485%					
22	Effective Property Tax Factor (L20*L21)		1.8395%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			26.7105%			
24	Required Operating Income	\$ 5,782,090					
25	Adjusted Test Year Operating Income (Loss)	\$ 4,529,183					
26	Required Increase in Operating Income (L24 - L25)		\$ 1,252,907				
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$ 825,974					
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$ 411,207					
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ 414,767				
30	Recommended Revenue Requirement	\$ 21,085,286					
31	Uncollectible Rate (Line 10)	0.2998%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ 63,211					
33	Adjusted Test Year Uncollectible Expense	\$ -					
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$ 63,211				
35	Property Tax with Recommended Revenue	\$ 94,767					
36	Property Tax on Test Year Revenue	\$ 94,767					
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$ -				
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 1,730,886				

	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Income Tax:</u>						
39	Total	Test Year	Water	Total	Company Recommended	Water
40	Revenue	\$ 19,370,486	\$ 19,370,486	\$ 21,085,286		\$ 21,085,286
41	Operating Expenses Excluding Income Taxes	14,430,096	14,430,096	14,477,223		14,477,223
42	Synchronized Interest (L47)	3,287,030	3,287,030	3,287,030		3,287,030
43	Arizona Taxable Income (L39 - L40 - L41)	\$ 1,653,359	\$ 1,653,359	\$ 3,321,034		\$ 3,321,033
44	Arizona State Effective Income Tax Rate	4.9000%	4.9000%	4.9000%		4.9000%
45	Arizona Income Tax (L42 x L43)	\$ 81,015	\$ 81,015	\$ 162,731		\$ 162,731
46	Federal Taxable Income (L42- L44)	\$ 1,572,345	\$ 1,572,345	\$ 3,158,303		\$ 3,158,302
47	Federal Tax Rate	21.0000%	21.00%	21.00%		21.00%
48	Federal Income Taxes	\$ 330,192	\$ 330,192	\$ 663,244		\$ 663,243
49						
50						
51						
52						
53	Total Federal Income Tax	\$ 330,192	\$ 330,192	\$ 663,244		\$ 663,243
54	Combined Federal and State Income Tax (L35 + L42)	\$ 411,207	\$ 411,207	\$ 825,974		\$ 825,974
55	COMBINED Applicable Federal Income Tax Rate [Col. (D), L53 - Col. (A), L53] / [Col. (D), L45 - Col. (A), L45]					
56						
57	WATER Applicable Federal Income Tax Rate [Col. (F), L53 - Col. (C), L53] / [Col. (F), L45 - Col. (C), L45]					

Calculation of Interest Synchronization:

58	Rate Base	Water
59	Weighted Average Cost of Debt	\$ 68,423,298
60	Synchronized Interest (L59 X L60)	4.80%
		\$ 3,287,030

a. Sch. A-2

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

GWRS Long Term Debt Allocation to Utilities

Line

No.

1	
2	Total Global Water Resources, Inc. Long Term Debt
3	115,000,000
4	
5	Allocation to Palo Verde and Santa Cruz
6	

			Less Southwest Plant Debt	Adjusted Debt
7	Palo Verde	58,506,779	14,882,256	43,624,523
8	Santa Cruz	47,850,221	17,939,817	29,910,404
9		106,357,000		

10

11	Amount Allocated to other utilities	8,643,000
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12

Allocation based on 2019 Customer Counts

	Company	Customer Count	Allocation%	
15	North Scottsdale	92	2.8%	240,665
16	Tonopah	413	12.5%	1,080,375
17	Eagletail	57	1.7%	149,107
18	Turner Ranches	963	29.1%	2,519,131
19	Red Rock Sewer	883	26.7%	2,309,857
20	Red Rock Water	896	27.1%	2,343,864
21	Total	3,304	100.0%	8,643,000

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Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Cost of Debt

Schedule D-2

Page 1 of 2

Line
No.

End of Test Year - Actual		
	Amount	Interest
	Outstanding	Rate
4 Long-Term Debt	-	N/A
6 Short-Term Debt	-	N/A

End of Test Year - Proposed			End of Projected Year - Proposed Rates	
	Amount	Interest	Amount	Interest
	Outstanding (*)	Rate	Outstanding	Rate
14 Long-Term Debt	43,624,523	4.80%	43,624,523	4.80%
16 Short-Term Debt	-	N/A	-	N/A

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Global Water -Palo Verde Utilities Company - Schedules
Test Year Ended December 31, 2019
Cost of Debt Calculation Detail

Schedule D-2
Page 2 of 2

Calculation of Adjusted Cost of Debt											
Line No.											
1	Balance of IDA Bonds at time of refinancing (2016) per 10K							\$	106,700,000		
2	Refinancing Costs										
3	Prepayment Penalty							3%	\$	3,201,000	
4	Write off of deferred financing fees							\$	2,200,000		
5	A. Total Refinancing Costs							\$	5,401,000		
6											
	2016 Refinancing										
B.	\$	115,000,000									
7											
8	C.	D.	E.	F.	G.	H.	I.	J.	K.	L.	
9	Series	Amount	Interest Rate	% Of total principal (D./B.)	Allocation of Financing Costs (F.*A.)	Term (Years)	Financing costs/Year (G./H.)	Implied Interest Rate (I./D.)	Adjusted Cost of Debt (E+J.)	Weighted Adjusted Cost of Debt (F.*K.)	
10	Series A	\$ 28,750,000	4.38%	25%	\$ 1,350,250	12	\$ 112,521	0.391%	4.77%	1.19%	
11	Series B	\$ 86,250,000	4.58%	75%	\$ 4,050,750	20	\$ 202,538	0.235%	4.81%	3.61%	
12	Total	\$ 115,000,000									
13	Blended Adjusted Total Cost of Debt									4.80%	

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Global Water -Palo Verde Utilities Company - Schedules

Schedule D-3

Test Year Ended December 31, 2019

Cost of Preferred Stock

Line

No.

1 Schedule D-3 is not applicable as there is no preferred stock issued or
2 outstanding in any of the utilities involved in this rate case.

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Global Water -Palo Verde Utilities Company - Schedules

Schedule E-1

Test Year Ended December 31, 2019

Comparative Balance Sheets

Line No.		Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1	Assets			
2				
3	Account No. Current and Accrued Assets			
4	131 Cash	-	-	142,400
5	132 Special Deposits	-	-	-
6	133 Other Special Deposits	813,309	432,050	427,182
7	134 Working Funds	-	-	-
8	135 Temporary Cash Investments	-	-	-
9	141 Customer Accounts Receivable	901,439	793,853	851,451
10	142 Other Accounts Receivable	1,301	56,087	2,588
11	143 Accumulated Provision for Uncollectable Accounts	(37,056)	(28,140)	(64,295)
12	146 Notes Receivable from Associated Companies	514,462	450,324	462,493
13	151 Plant Material and Supplies	-	-	-
14	162 Prepayments	13,592	27,438	61,629
15	173 Accrued Utility Revenue	1,178,509	1,101,790	1,001,594
16	174 Miscellaneous Current and Accrued Assets	-	-	-
17	Total Current Assets	3,385,556	2,833,403	2,885,043
18				
19	Fixed Assets			
20	101 Utility Plant in Service*	142,044,193	130,739,433	124,624,261
21	103 Property Held for Future Use	-	-	-
22	105 Construction Work in Progress	16,244,924	15,703,249	23,704,690
23	108 Accumulated Depreciation	(41,808,554)	(37,476,416)	(38,757,867)
24	121 Non-Utility Property	-	-	-
25	122 Accumulated Depreciation - Non Utility	-	-	-
26	Total Fixed Assets	116,480,563	108,966,265	109,571,083
27				
28	Other Fixed Assets			
29	114 Utility Plant Acquisition Adjustment	-	-	-
30	Total Other Fixed Assets	-	-	-
31				
32	Deferred Debits			
33	190 Accumulated Deferred Income Taxes	-	-	-
34	Total Deferred Debits	-	-	-
35				
36	Total Assets	\$ 119,866,119	\$ 111,799,668	\$ 112,456,126
37				
38	Liabilities and Stockholders' Equity			
39				
40	231 Accounts Payable	255,646	205,952	176,499
41	232 Notes Payable (Current Portion)	-	-	-
42	234 Notes Payable to Associated Companies	-	-	-
43	235 Customer Deposits	677,530	677,784	679,963
44	236 Accrued Taxes	593,605	569,155	552,638
45	237 Accrued Interest	120,998	122,311	123,539
46	241 Miscellaneous Current and Accrued Liabilities	870,797	662,548	662,886
47	253 Other Deferred Credits	-	-	-
48	Total Current Liabilities	2,518,575	2,237,751	2,195,526
49				
50	252 Advances in Aid of Construction	29,259,099	28,226,243	27,687,538
51	253 Other Deferred Credits	805,064	426,561	426,630
52	255 Accumulated Deferred Investment Tax Credits	-	-	-
53	271 Contributions in Aid of Construction	1,712,515	1,355,398	1,196,921
54	272 Less: Amortization of Contributions	(189,096)	(135,525)	(96,881)
55	281 Accumulated Deferred Income Tax	5,802,851	3,548,337	1,986,069
56	Total Deferred Credits	37,390,433	33,421,013	31,200,277
57				
58	Total Liabilities and Deferred Credits	\$ 39,909,008	\$ 35,658,763	\$ 33,395,803
59				
60	201 Common Stock Issued	10	10	10
61	211 Other Paid-In Capital	53,967,252	52,372,968	58,215,676
62	215 Retained Earnings	25,989,848	23,767,926	20,844,638
63				
64	Total Members' Equity	\$ 79,957,110	\$ 76,140,904	\$ 79,060,324
65				
66	Total Liabilities and Stockholders' Equity	\$ 119,866,119	\$ 111,799,668	\$ 112,456,126
67				
68	Supporting Schedule		Recap Schedule	
69	E-5		A-3	

Global Water -Palo Verde Utilities Company - Schedules
Test Year Ended December 31, 2019
Comparative Income Statements

Schedule E-2

Line No.		Test Year Ended 12/31/2019	Year Ended 12/31/2018	Year Ended 12/31/2017
Operating Revenue				
521	Flat Rate Revenues	17,109,428	16,183,407	15,596,974
522	Measured Revenues	907,934	874,479	815,976
534	Rents from Wastewater Property	63,911	57,730	70,666
536	Other Wastewater Revenues	370,274	393,345	354,378
Total Revenues		18,451,547	17,508,961	16,837,994
Operating Expenses				
701	Salaries and Wages	3,004,769	2,796,096	2,539,912
704	Employee Pensions and Benefits	417,697	398,841	304,318
710	Purchased Wastewater Treatment	-	-	-
711	Sludge Removal Expense	13,904	9,318	13,130
715	Purchased Power	661,985	743,950	660,997
716	Fuel for Power Production	-	-	5,920
718	Chemicals	233,931	234,344	263,849
720	Materials and Supplies	37,549	39,968	27,752
720.1	Repairs and Maintenance	144,973	99,508	104,230
720.2	Office Supplies and Expense	-	-	-
721	Office Expense	119,137	89,666	97,625
731	Contractual Services - Engineering	-	-	-
732	Contractual Services - Accounting	333,326	398,415	313,143
733	Contractual Services - Legal	240,077	133,121	171,712
734	Contractual Services - Management Fees	856,672	831,165	792,719
735	Contractual Services - Testing	37,498	40,491	39,084
736	Contractual Services - Other	253,198	228,304	148,839
740	Rents - Building	81,747	61,681	48,276
	Intentionally Left Blank			
742	Rents - Equipment	29,782	54,344	10,734
750	Transportation Expenses	101,455	113,995	88,155
756	Insurance - Vehicle	-	-	203
757	Insurance - General Liability	196,398	193,363	194,066
758	Insurance - Worker's Compensation	42,755	31,107	37,163
759	Insurance - Other	-	-	-
760	Advertising Expense	13,698	6,303	9,571
766	Regulatory Commission Expense - Rate Case	-	-	53,144
767	Regulatory Commission Expense - Other	32,503	(17,215)	42,720
770	Bad Debt Expense	55,316	49,037	68,936
775	Miscellaneous Expense	1,285,542	1,203,049	1,163,648
403	Depreciation Expense	4,222,760	3,880,867	3,635,568
408	Taxes Other Than Income	94,767	99,137	98,894
408.11	Property Taxes	1,166,305	1,127,748	1,091,571
408.12	Payroll Taxes	175,543	167,666	157,188
408.13	Other Taxes and Licenses	2,690	9,792	12,495
409	Income Taxes	2,311,750	1,521,172	1,348,643
Total Operating Expenses		16,167,726	14,545,232	13,544,204
Operating Income / (Loss)		2,283,821	2,963,728	3,293,790
Other Income / (Expense)				
414	Gain/Loss on Dispositions	(736)	(16,588)	(7,963)
419	Interest and Dividend Income	2,755	7,482	1,739
421	Non-Utility Income	(7,007)	-	-
426	Miscellaneous Non-Utility (Expense)	(862)	(359)	(304)
427	Interest (Expense)	(56,049)	(30,967)	(2,206)
Total Other Income / (Expense)		(61,900)	(40,432)	(8,734)
Net Income / (Loss)		2,221,921	2,923,297	3,285,056

Supporting Schedule
E-6

Recap Schedule
A-2

Global Water -Palo Verde Utilities Company - Schedules
Test Year Ended December 31, 2019
Comparative Statement of Changes in Financial Position

Schedule E-3

Line No.		Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1				
2	Operating Activities			
3	Net income (loss)	\$ 2,221,921	\$ 2,923,297	\$ 3,285,056
4	<i>Adjustment to reconcile net income (loss)</i>			
5	Deferred compensation	-	-	-
6	Depreciation	4,222,759	3,880,867	3,635,568
7	Amortization	-	-	-
8	Amortization of deferred debt issuance costs and discounts	-	-	-
9	Write-off of debt issuance costs	-	-	-
10	Gain on sale of 303 contracts	-	-	-
11	(Gain) Loss on Equity Investment	-	-	-
12	Other gains and losses	-	-	-
13	(Gain) Loss on disposal of fixed assets	736	16,588	(7,963)
14	Loss on Sale of Willow Valley	-	-	-
15	Provision for doubtful accounts receivable	55,316	49,037	68,936
16	Deferred income tax (benefit) expense	2,254,514	1,562,268	1,447,790
17	Accounts receivables	(153,984)	(27,595)	(108,258)
18	Other Receivables	(9,352)	(41,330)	(65,516)
19	Accrued revenue	(76,719)	(100,196)	(84,396)
20	Infrastructure coordination and financing fee receivable	-	-	-
21	Income taxes receivable	-	-	-
22	Other current assets	13,846	34,191	(18,867)
23	Accounts payable and other current liabilities	330,860	(224,152)	1,463,982
24	Other noncurrent assets	(4,499,316)	(5,842,707)	53,144
25	Other noncurrent liabilities	-	-	-
26	Deferred revenue and prepaid ICFA fees	-	-	-
27	Net cash (used) provided by operating activities	4,360,581	2,230,267	9,669,475
28				
29	Investing Activities			
30	Capital expenditures	(3,937,464)	(2,193,417)	(9,410,528)
31	Proceeds from the sale of Willow Valley	-	-	-
32	Proceeds from sale of fixed and intangible assets	-	-	-
33	(Deposits) withdrawals of restricted cash	(381,259)	296,009	(349,805)
34	Deposits	-	-	-
35	Advance in aid of construction release	-	-	-
36	Net cash used in investing activities	(4,318,723)	(1,897,408)	(9,760,333)
37				
38	Financing Activities			
39	Proceeds from bond	-	-	-
40	Deposits in bond service fund	-	-	-
41	Proceeds withdrawn from bond service fund	-	-	-
42	Repayments of bond debt	-	-	-
43	(Deposit into)/ redemption from escrow for debt service	-	-	-
44	Loan borrowings	-	-	-
45	Loan repayments	-	-	-
46	Principal payments under capital lease	-	-	-
47	Payment of Sonoran acquisition liability	-	-	-
48	Acquisition of utilities, deferred acquisition payments	-	-	-
49	Financing costs paid	-	-	-
50	Debt issuance costs paid	-	-	-
51	Advances in aid of construction	265,876	(27,622)	380,975
52	Dividends Paid	-	-	-
53	Proceeds from sale of stock	-	-	-
54	Contributions in aid of construction under ICFA agreements	-	-	-
55	Payments of offering costs for sale of stock	-	-	-
56	Refunds of advances for construction	(307,734)	(305,239)	(290,118)
57	Net cash (used) provided by financing activities	(41,858)	(332,860)	90,857
58	Net change in cash	(0)	(0)	(0)
59				
60				

Recap Schedule A-5

Global Water -Palo Verde Utilities Company - Schedules

Schedule E-4

Test Year Ended December 31, 2019

Statement of Changes in Stockholders' Equity

Line No.		Common Stock		Additional Paid-In-Capital	Retained Earnings	Total
		Shares	Amount			
1						
2	Balance - December 31, 2016	1,000	\$ 10	\$ 56,273,538	\$ 17,559,582	
3						
4	Net Income				3,285,056	
5						
6	Dividends Paid				-	-
7						
8	Other/Reclass*			1,942,138	-	1,942,138
9						
10	Balance - December 31, 2017	1,000	\$ 10	\$ 58,215,676	\$ 20,844,638	\$ 79,060,324
11						
12	Net Income				2,923,297	
13						
14	Dividends Paid				-	-
15						
16	Other/Reclass*			(5,842,708)	(8)	
17						
18	Balance - December 31, 2018	1,000	\$ 10	\$ 52,372,968	\$ 23,767,926	\$ 76,140,904
19						
20	Net Income				2,221,921	2,221,921
21						
22	Dividends Paid				-	-
23						
24	Other/Reclass*			1,594,284	-	1,594,284
25						
26	Balance - December 31, 2019	1,000	\$ 10	\$ 53,967,252	\$ 25,989,847	\$ 79,957,109
27	check		10	53,967,252	25,989,848	79,957,110
28						
29	*Intercompany					
30						

Global Water -Palo Verde Utilities Company - Schedules

Schedule E-5

Test Year Ended December 31, 2019

Detail Plant in Service

Line No.		End of Prior Year 12/31/2018	Net Additions	End of Test Year 12/31/2019
1	Utility Plant in Service			
2	351 Organization	\$ -	\$ -	\$ -
3	352 Franchises	-	-	-
4	353 Land and Land Rights	199,390	75,162	274,552
5	354 Structures and Improvements	28,649,148	7,658,866	36,308,015
6	355 Power Generation Equipment	1,330,871	-	1,330,871
7	360 Collections Wastewater - Force	5,162,589	8,788	5,171,377
8	361 Collections Wastewater - Gravity	49,849,656	1,270,812	51,120,469
9	362 Special Collecting Structures	424,612	142,500	567,112
10	363 Services to Customers	5,440,953	524,072	5,965,025
11	364 Flow Measuring Devices	58,628	801	59,429
12	365 Flow Measuring Installations	-	-	-
13	366 Reuse Services	-	-	-
14	367 Reuse Meters & Meter Installations	-	-	-
15	370 Receiving Wells	1,183,361	-	1,183,361
16	371 Pumping Equipment	5,317,667	303,987	5,621,654
17	374 Reuse Distribution Reservoirs	1,363,509	7,331	1,370,840
18	375 Reuse Trans. And Distr. Equipment	14,389,395	7,386	14,396,781
19	380 Treatment and Disposal Equipment	12,223,447	611,061	12,834,508
20	381 Plant Sewers	743,694	46,009	789,702
21	382 Outfall Sewer Lines	353,645	-	353,645
22	389 Other Plant and Misc. Equipment	2,424,936	18,737	2,443,673
23	390 Office Furniture and Equipment	34,829	68,193	103,022
24	390.1 Computer & Software	28,683	327,823	356,506
25	391 Transportation Equipment	363,903	179,101	543,004
26	392 Stores Equipment	-	-	-
27	393 Tools, Shop and Garage Equipment	192,474	3,248	195,721
28	394 Laboratory Equipment	16,314	-	16,314
29	395 Power Operated Equipment	187,809	(1,626)	186,183
30	396 Communication Equipment	77,240	2,292	79,532
31	397 Miscellaneous Equipment	582,120	11,352	593,472
32	398 Other Tangible Plant	140,561	38,865	179,425
33				
34				
35				
36	Total Utility Plant in Service	\$ 130,739,432	\$ 11,304,761	\$ 142,044,193
37				
38	107 Construction Work in Progress	\$ 15,703,249	541,675	\$ 16,244,924
39				
40	Total Plant	\$ 146,442,681		\$ 158,289,117
41				
42	Total Accum. Depreciation	\$ (37,476,416)		\$ (41,808,554)
43				
44	Total Net Plant	\$ 108,966,265	\$ -	\$ 116,480,563

Recap Schedules
E-1 and A-4

Global Water -Palo Verde Utilities Company - Schedules
Test Year Ended December 31, 2019
Comparative Departmental Statements of Operating Income

Schedule E-6

Line No.		Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1	Operating Revenues			
2	Residential	\$ 16,696,889	\$ 15,381,991	\$ 14,800,418
3	Commercial	872,254	\$ 803,563	\$ 773,182
4	Recycled	946,901	\$ 872,332	\$ 839,350
5				
6	Total	\$ 18,516,044	\$ 17,057,886	\$ 16,412,950
7				
8	Adjustments	\$ 498,682		
9				
10	Miscellaneous	434,185	451,074	425,044
11				
12	Total Operating Revenues	\$ 18,451,547	\$ 17,508,961	\$ 16,837,994
13				
14	OPERATING EXPENSES:			
15	Operating Expenses (less tax and depreciation)	\$ 8,464,222	\$ 8,005,653	\$ 7,455,926
16				
17	Depreciation	\$ 4,222,760	\$ 3,880,867	\$ 3,635,568
18				
19	TAXES			
20	Income Taxes	\$ 2,311,750	\$ 1,521,172	\$ 1,348,643
21	Property taxes	1,166,305	1,127,748	1,091,571
22	Other Taxes and Licenses	2,690	9,792	12,495
23				
24				
25	TOTAL TAXES	\$ 3,480,745	\$ 2,658,712	\$ 2,452,710
26				
27	Total Operating Expenses	\$ 16,167,726	\$ 14,545,232	\$ 13,544,204
28				
29	Operating Income/(Loss)	\$ 2,283,821	\$ 2,963,728	\$ 3,293,790
30				
31			Recap Schedule	
32			E-2	
33				
34				

Global Water -Palo Verde Utilities Company - Schedules

Schedule E-7

Test Year Ended December 31, 2019

Operating Statistics

Line No.	Wastewater Statistics	Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1				
2	Total Gallons Treated (in thousands)	1,087,968	1,028,055	960,744
3				
4	Wastewater Revenues from Customers	18,451,547	17,508,961	16,837,994
5				
6	Year End Number of Customers	21,166	20,395	18,374
7				
8	Annual Gallons (in Thousands)			
9	Treated Per Year End Customer	51.40	50.41	52.29
10				
11	Annual Revenue Per Year End Customer	\$ 872	\$ 858	\$ 916
12				
13	Pumping Costs per Year End Customer	\$ 31.28	\$ 36.48	\$ 35.97
14				
15	Pumping Cost per 1,000 Gallons	\$ 0.61	\$ 0.72	\$ 0.69
16				
17				
18				
19				
20				
21				
22				
23				
24				

Global Water -Palo Verde Utilities Company - Schedules

Schedule E-8

Test Year Ended December 31, 2019

Taxes Charged to Operations

Line No.		Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1				
2	Federal Taxes			
3	Income	\$ 2,246,726	\$ 1,521,148	\$ 1,348,643
4	FICA (Employer's) *	173,272	160,522	147,451
5	Unemployment *	1,564	1,295	1,220
6	Total Federal Taxes	2,421,562	1,682,964	1,497,314
7				
8				
9	State Taxes			
10	Income	\$ 65,024	\$ 25	\$ -
11	Property	582,942	564,152	546,064
12	Other	87,215	103,369	104,258
13	Unemployment *	707	5,849	8,517
14	Total State Taxes	735,888	673,395	658,839
15				
16				
17	Total Taxes to Operations	\$ 3,157,450	\$ 2,356,359	\$ 2,156,153

* FICA and Unemployment are included with Salaries and Wages on C-1, E-2 and E-6.

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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Line
No.

Following are the significant accounting policies for Global Water. Please note that some of these accounting policies may only be applicable to the parent company, GWRI.

Basis of Presentation and Principles of Consolidation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company prepares its financial statements in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The Company qualifies as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), under the rules and regulations of the SEC. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. The Company has elected to take advantage of these provisions for up to five years or such earlier time that the Company is no longer an emerging growth company. The Company has elected to take advantage of some of the reduced disclosure obligations regarding financial statements. Also, as an emerging growth company, the Company can elect to delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has chosen to take advantage of this extended accounting transition provision.

Significant Accounting Policies*Regulation*

Our regulated utilities and certain other balances are subject to regulation by the ACC and are therefore subject to Accounting Standards Codification Topic 980, *Regulated Operations* ("ASC 980").

Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation provided on a straight-line. Depreciation rates for asset classes of utility property, plant, and equipment are established by the ACC. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant, and equipment. When units of utility property are replaced, renewed, or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation. For non-utility property, plant, and equipment, depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets. Cost and accumulated depreciation for non-utility property, plant, and equipment retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings.

In addition to third party costs, direct personnel costs and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

Revenue Recognition—Water Services

Water services revenues are recorded when service is rendered, or water is delivered to customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is recorded.

Water connection fees are the fees associated with the application process to set up a customer to receive utility service on an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the costs incurred to establish services including the application process, billing setup, initial meter reading, and

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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service transfer. Because the amounts charged for water connection fees are set by our regulator and not negotiated in conjunction with the pricing of ongoing water service, the connection fees represent the culmination of a separate earnings process and are recognized when the service is provided.

Meter installation fees are the fees charged to developers or builders associated with installing new water meters. Certain fees for meters are regulated by the ACC and are refundable to the end customer over a period of time. Refundable meter installation fees are recorded as a liability upon receipt. These fees are recognized as revenue when the service is rendered, or when a water meter is installed.

Revenue Recognition—Wastewater and Recycled Water Services

Wastewater service revenues are generally recognized when service is rendered. Wastewater services are billed at a fixed monthly amount per connection, and recycled water services are billed monthly based on volumetric fees.

Revenue Recognition—Unregulated Revenues

Unregulated Revenues represent those revenues that are not subject to the ratemaking process of the ACC. Unregulated revenues are limited to rental revenue and imputed revenues resulting from certain infrastructure coordination and financing agreement arrangements ("ICFAs").

Allowance for Doubtful Accounts

Provisions are made for doubtful accounts due to the inherent uncertainty around the collectability of accounts receivable. The allowance for doubtful accounts is recorded as bad debt expense, and is classified as general and administrative expense. The allowance for doubtful accounts is determined considering the age of the receivable balance, type of customer (e.g., residential or commercial), payment history, as well as specific identification of any known or expected collectability issues.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments in debt instruments with an original maturity of three months or less.

Restricted Cash

Restricted cash represents cash deposited relating to HUF tariffs, asset retirement obligations and pending legal matters.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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We evaluate uncertain tax positions using a two-step approach. Recognition (step one) occurs when we conclude that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when we subsequently determine that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited, and to the extent that uncertain tax positions exist, we provide expanded disclosures.

Goodwill

Goodwill represents the excess purchase price over the fair value of net tangible and identifiable intangible assets acquired through acquisitions. Goodwill is not amortized, it is instead tested for impairment annually, or more often, if circumstances indicate a possible impairment may exist. As required, we evaluate goodwill for impairment annually, and do so as of November 1 of each year, and at an interim date if indications of impairment exist. When testing goodwill for impairment, we may assess qualitative factors, including macroeconomic conditions, industry and market considerations, overall financial performance, and entity specific events to determine whether it is more likely than not that the fair value of an operating and reportable segment is less than its carrying amount. We utilize internally developed discounted future cash flow models, third-party appraisals, or broker valuations to determine the fair value of the reporting unit. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. Our estimated future cash flows are based on historical data, internal estimates, and external sources. We then compare the estimated fair value to the carrying value. If the carrying value is in excess of the fair value, an impairment charge is recorded to asset impairments within our consolidated statement of operations in the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of goodwill.

Intangible Assets

Intangible assets not subject to amortization consist of certain permits expected to be renewable indefinitely, water rights and certain service areas acquired in transactions which did not meet the definition of business combinations for accounting purposes, and are considered to have indefinite lives. Intangible assets with indefinite lives are not amortized but are tested for impairment annually, or more often if certain circumstances indicate a possible impairment may exist. Amortized intangible assets consist primarily of acquired ICFA contract rights.

Debt Issuance Costs

In connection with the issuance of some of our long-term debt, we have incurred legal and other costs that we believe are directly attributable to realizing the proceeds of the debt issued. These costs are netted against long-term debt and amortized as interest expense using the effective interest method over the term of the respective debt.

Impairment of Long-Lived Assets

Management evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indicator of possible impairment exists, an undiscounted cash flow analysis would be prepared to determine whether there is an actual impairment. Measurement of the impairment loss is based on the fair value of the asset. Generally, fair value will be determined using appraisals or valuation techniques such as the present value of expected future cash flows.

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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Line
No.

1

Advances and Contributions in Aid of Construction

2

The Company has various agreements with developers and builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the developers and are considered refundable advances for construction. These AIAC are non-interest-bearing and are subject to refund to the developers through annual payments that are computed as a percentage of the total annual gross revenue earned from customers connected to utility services constructed under the agreement over a specified period. Upon the expiration of the agreements' refunding period, the remaining balance of the advance becomes nonrefundable and at that time is considered CIAC. CIAC are amortized as a reduction of depreciation expense over the estimated remaining life of the related utility plant. For rate-making purposes, utility plant funded by AIAC or CIAC are generally excluded from rate base.

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Fair Value of Financial Instruments

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The carrying values of cash equivalents, trade receivables, and accounts payable approximate fair value due to the short-term maturities of these instruments. Portions of these non-interest-bearing instruments are payable annually through 2032 and amounts not paid by the contract expiration dates become nonrefundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables, including new customer connections, customer consumption levels, and future rate increases. However, the fair value of these amounts would be less than their carrying value due to the non-interest-bearing feature.

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Segments

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Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. In consideration of ASC 280—*Segment Reporting* the Company notes it is not organized around specific products and services, geographic regions, or regulatory environments. The Company currently operates in one geographic region within the State of Arizona, wherein each operating utility operates within the same regulatory environment.

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29

While the Company reports its revenue, disaggregated by service type, on the face of its Statements of Operations, the Company does not manage the business based on any performance measure at the individual revenue stream level. The Company does not have any customers that contribute more than 10% to the Company's revenues or revenue streams. Additionally, we note that the CODM uses consolidated financial information to evaluate the Company's performance, which is the same basis on which he communicates the Company's results and performance to the Board of Directors. It is upon this consolidated basis from which he bases all significant decisions regarding the allocation of the Company's resources on a consolidated level. Based on the information described above and in accordance with the applicable literature, management has concluded that the Company is currently organized and operated as one operating and reportable segment.

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Global Water -Palo Verde Utilities Company - Schedules

Schedule F-1

Test Year Ended December 31, 2019

Projected Income Statements - Present and Proposed

Line No.		Test Year Actual 12/31/2019	Present Rates Year Ended 12/31/2020	Adjustments	Proposed Rates Year Ended 12/31/2020
1	Operating Revenues	\$ 18,451,547	\$ 19,370,486	\$ 1,714,800	\$ 21,085,286
2					
3	701 Salaries and Wages	3,004,769	3,391,873	-	3,391,873
4	704 Employee Pensions and Benefits	417,697	417,697	-	417,697
5	710 Purchased Wastewater Treatment	-	-	-	-
6	711 Sludge Removal Expense	13,904	13,904	-	13,904
7	715 Purchased Power	661,985	680,249	-	680,249
8	716 Fuel for Power Production	-	-	-	-
9	718 Chemicals	233,931	240,386	-	240,386
10	720 Materials and Supplies	37,549	37,549	-	37,549
11	720 Repairs and Maintenance	144,973	144,973	-	144,973
12	720 Office Supplies and Expense	-	-	-	-
13	721 Office Expense	119,137	138,499	-	138,499
14	731 Contractual Services -Engineering	-	-	-	-
15	732 Contractual Services - Accounting	333,326	333,326	-	333,326
16	733 Contractual Services - Legal	240,077	240,077	-	240,077
17	734 Contractual Services - Management Fees	856,672	-	-	-
18	735 Contractual Services - Testing	37,498	37,498	-	37,498
19	736 Contractual Services - Other	253,198	705,744	-	705,744
20	740 Rents - Building	81,747	81,747	-	81,747
21	0 Intentionally Left Blank	-	-	-	-
22	742 Rents - Equipment	29,782	29,782	-	29,782
23	750 Transportation Expenses	101,455	101,455	-	101,455
24	756 Insurance - Vehicle	-	-	-	-
25	757 Insurance - General Liability	196,398	196,398	-	196,398
26	758 Insurance - Worker's Compensation	42,755	42,755	-	42,755
27	759 Insurance - Other	-	-	-	-
28	760 Advertising Expense	13,698	13,698	-	13,698
29	766 Regulatory Commission Expense - Rate Case	-	-	-	-
30	767 Regulatory Commission Expense - Other	32,503	7,641	-	7,641
31	770 Bad Debt Expense	55,316	58,070	5,141	63,211
32	775 Miscellaneous Expense	1,285,542	1,304,904	-	1,304,904
33	403 Depreciation Expense	4,222,760	4,468,360	-	4,468,360
34	408 Taxes Other Than Income	94,767	94,767	-	94,767
35	408 Property Taxes	1,166,305	1,470,511	41,986	1,512,497
36	408 Payroll Taxes	175,543	175,543	-	175,543
37	408 Other Taxes and Licenses	2,690	2,690	-	2,690
38	409 Income Taxes	2,311,750	411,207	414,767	825,974
39	Total Operating Expenses	16,167,726	14,841,303	461,894	15,303,197
40					
41	Operating Income / (Loss)	2,283,821	4,529,183	1,252,906	5,782,089
42					
43	OTHER INCOME / (EXPENSE)				
44	414 Gain/Loss on Dispositions	-735.97	(736)	-	(736)
45	419 Interest and Dividend Income	2,755	2,755	-	2,755
46	421 Non-Utility Income	(7,007)	(7,007)	-	(7,007)
47	426 Miscellaneous Non-Utility (Expense)	(862)	(862)	-	(862)
48	427 Interest (Expense)	(56,049)	(56,049)	-	(56,049)
49	Total Other Income / (Expense)	(61,900)	(61,900)	-	(61,900)
50					
51	NET INCOME / (LOSS)	\$ 2,221,921	\$ 4,467,283	\$ 1,252,906	\$ 5,720,189
52					
	Supporting Schedule E-2			Recap Schedule A-2	

Global Water -Palo Verde Utilities Company - Schedules

Schedule F-2

Test Year Ended December 31, 2019

Projected Statements of Changes in Financial Position

Present and Proposed Rates

Line No.		Test Year 12/31/2019	Projected Year	
			Present Rates 12/31/2020	Proposed Rates 12/31/2020
1				
2	Net income (loss)	\$ 2,221,921	\$ 4,467,283	\$ 5,720,189
3	Adjustment to reconcile net income (loss)			
4	Deferred compensation	-	-	-
5	Depreciation	4,222,759	4,468,360	4,468,360
6	Amortization	-	-	-
7	Amortization of deferred debt issuance costs and discounts	-	-	-
8	Write-off of debt issuance costs	-	-	-
9	Gain on sale of 303 contracts	-	-	-
10	(Gain) Loss on Equity Investment	-	-	-
11	Other gains and losses	-	-	-
12	(Gain) Loss on disposal of fixed assets	736	736	736
13	Loss on Sale of Willow Valley	-	-	-
14	Provision for doubtful accounts receivable	55,316	55,316	55,316
15	Deferred income tax (benefit) expense	2,254,514	2,254,514	2,254,514
16	Accounts receivables	(153,984)	(153,984)	(153,984)
17	Other Receivables	(9,352)	(9,352)	(9,352)
18	Accrued revenue	(76,719)	(76,719)	(76,719)
19	Infrastructure coordination and financing fee receivable	-	-	-
20	Income taxes receivable	-	-	-
21	Other current assets	13,846	13,846	13,846
22	Accounts payable and other current liabilities	330,860	330,860	330,860
23	Other noncurrent assets	(4,499,316)	(4,499,316)	(4,499,316)
24	Other noncurrent liabilities	-	-	-
25	Deferred revenue and prepaid ICFA fees	-	-	-
26	Net cash (used) provided by operating activities	4,360,581	6,851,544	8,104,450
27				
28	Investing Activities			
29	Capital expenditures	(3,937,464)	(1,435,625)	(1,435,625)
30	Proceeds from the sale of Willow Valley	-	-	-
31	Proceeds from sale of fixed and intangible assets	-	-	-
32	(Deposits) withdrawals of restricted cash	(381,259)	(381,259)	(381,259)
33	Deposits	-	-	-
34	Advance in aid of construction release	-	-	-
35	Net cash used in investing activities	(4,318,723)	(1,816,884)	(1,816,884)
36				
37	Financing Activities			
38	Proceeds from bond	-	-	-
39	Deposits in bond service fund	-	-	-
40	Proceeds withdrawn from bond service fund	-	-	-
41	Repayments of bond debt	-	-	-
42	(Deposit into)/ redemption from escrow for debt service	-	-	-
43	Loan borrowings	-	-	-
44	Loan repayments	-	-	-
45	Principal payments under capital lease	-	-	-
46	Payment of Sonoran acquisition liability	-	-	-
47	Acquisition of utilities, deferred acquisition payments	-	-	-
48	Financing costs paid	-	-	-
49	Debt issuance costs paid	-	-	-
50	Advances in aid of construction	265,876	265,876	265,876
51	Dividends Paid	-	-	-
52	Proceeds from sale of stock	-	-	-
53	Contributions in aid of construction under ICFA agreements	-	-	-
54	Payments of offering costs for sale of stock	-	-	-
55	Refunds of advances for construction	(307,734)	(307,734)	(307,734)
56	Net cash (used) provided by financing activities	(41,858)	(41,858)	(41,858)
57	Net change in cash	(0)	4,992,801	6,245,708
58				
59	<u>Supporting Schedules</u>		Recap Schedules	
60	<u>E-3 and F-3</u>		A-5	

Global Water -Palo Verde Utilities Company - Schedules

Schedule F-3

Test Year Ended December 31, 2019

Projected Construction Requirements

Line No.	Property Classification	Through 12/31/2020	Through 12/31/2021	Through 12/31/2022
1				
2	Wastewater Treatment	\$ 420,500	\$ 1,500,000	\$ 465,000
3				
4	Collection System	316,000	315,000	300,000
5				
6	Recycled Water	155,000	1,400,000	25,000
7				
8	SCADA	20,000	35,000	35,000
9				
10	Other	524,125	160,000	215,000
11				
12	Totals	\$ 1,435,625	\$ 3,410,000	\$ 1,040,000
13				
14				
15				
16				
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Global Water -Palo Verde Utilities Company - Schedules

Schedule F-4

Test Year Ended December 31, 2019

Assumptions

Line

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Revenues and expenses were projected using the pro forma changes to the test year ending December 31, 2019. Actual expenses incurred during the test year ending December 31, 2019, were considered when developing pro forma adjustments. Where known and measurable changes are expected to occur, those changes are applied to determine pro form adjustments.

Construction forecasts are based on estimated plant requirements including new facilities, the replacement of existing facilities, and the improvement and maintenance of infrastructure necessary to ensure safe and reliable service.

Global Water -Palo Verde Utilities Company - Schedules

Test Year Ended December 31, 2019

Cost of Service Study Schedules G-1 thru G-7

The Company did not perform a Cost of Service Study, for the reasons explained in Paragraph 10 of the Company's Rate Application.

Global Water - Palo Verde Utilities Company

Schedule H-1

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Line No.	Customer Classification	[A] Revenue at 2019 Rates Sch. H-2 Col. C	[B] Revenue Annualized and adjusted for 2021 Rates	[C] Proposed Rates Sch. H-2 Col. F	[D] Proposed Increase Amount	[E] %
1						
2	Residential	\$ 16,696,889	\$ 17,509,156	\$ 18,399,872	\$ 890,716	5.1%
3	Commercial	872,254	962,844	1,012,966	50,122	5.2%
4	Recycled	946,901	1,109,227	1,247,020	137,793	12.4%
5						
6	Total Waste Water Revenues	\$ 18,516,044	\$ 19,581,227	\$ 20,659,859	\$ 1,078,632	5.51%
7						
8	Other Revenues (Sch. C-1, L4 and L5)	434,185	434,185	434,185	-	0.0%
9						
10	Adjustment	(498,682)	(498,682)	(8,757)	489,924	-98.2%
11						
12	TCJA Credit Phase In		(146,244)		146,244	-100.0%
13						
14	Total Operating Revenues	\$ 18,451,547	\$ 19,370,486	\$ 21,085,286	\$ 1,714,800	8.9%
15						
16						
17	Revenue Reconciliation					
18		Flat Rate Waste				
19	Revenue Per Book	\$ 17,109,428	\$ 907,934	\$ 18,017,362		Proposed
20						Rates Variance
21	Tax Act Refund	\$ 545,169	\$ -	\$ 545,169		8,757
22	Accrued Revenue Consumption	\$ -	\$ 34,247	\$ 34,247		
23	Accrued Revenue Basic Meter Charge	\$ (110,967)	\$ -	\$ (110,967)		
24	Accrued Revenue Tax Act Refund	\$ 8,776	\$ -	\$ 8,776		
25	Bill Adjustments	\$ -	\$ 4,711	\$ 4,711		
26	Intercompany Bills	\$ 19,590	\$ -	\$ 19,590		
27						
28	Wastewater Revenue Adjusted	\$ 17,571,996	\$ 946,892	\$ 18,518,888		
29						
	Bill Count Revenue	\$ 17,569,143	\$ 946,901	\$ 18,516,044		
	Variance	\$ 2,853	\$ (9)	\$ 2,844		
	Variance%	0.0162%	-0.0010%	0.0154%		
		0.0162%	-0.0010%	0.0154%		
	Supporting Schedules			Recap Schedules		
	H-2			A-1		

Global Water - Palo Verde Utilities Company

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Schedule H-2

Page 1 of 2

Line No.	Class of Service	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Bill Count Water Revenues								Proposed
		Average Number of Customers	Average Consumption	Revenue at 2019 Rates	Revenue at 2021 Rates	Annualization Adjustments*	Adjusted Present Rates	Proposed Rates	Increase [I - H]	
1										
2	5/8" Residential	700	N/A	\$ 571,636	\$ 583,982	\$ -	\$ 583,982	\$ 613,349	\$ 29,366	5.03%
3	3/4" Residential	19,723	N/A	16,107,896	16,455,804	\$ 451,639	\$ 16,907,443	17,767,901	\$ 860,459	5.09%
4	1" Residential	9	N/A	17,356	17,731	\$ -	\$ 17,731	18,622	\$ 892	5.03%
5	5/8" Commercial	4	N/A	3,267	3,337	\$ -	\$ 3,337	3,505	\$ 168	5.03%
6	3/4" Commercial	4	N/A	3,267	3,337	\$ 817	\$ 4,154	4,382	\$ 227	5.47%
7	1" Commercial	23	N/A	45,433	46,413	\$ 8,160	\$ 54,573	57,510	\$ 2,937	5.38%
8	1.5" Commercial	40	N/A	163,349	166,867	\$ 4,084	\$ 170,951	179,640	\$ 8,689	5.08%
9	2" Commercial	73	N/A	476,438	486,701	\$ 58,739	\$ 545,440	574,269	\$ 28,829	5.29%
10	3" Commercial	6	N/A	78,408	80,096	\$ -	\$ 80,096	84,124	\$ 4,028	5.03%
11	4" Commercial	5	N/A	102,094	104,292	\$ -	\$ 104,292	109,536	\$ 5,244	5.03%
12	Recycled	11	5,202,754	946,901	1,109,227	\$ -	\$ 1,109,227	1,247,020	\$ 137,793	12.42%
13										
14										
15	Total Residential	20,432	N/A	\$ 16,696,889	\$ 17,057,517	\$ 451,639	\$ 17,509,156	\$ 18,399,872	\$ 890,716	5.09%
16	Total Commercial	155	N/A	872,254	891,044	71,799	962,844	1,012,966	50,122	5.21%
17	Recycled	11	5,202,754	946,901	1,109,227	-	1,109,227	1,247,020	137,793	12.42%
18	Totals	20,598		18,516,044	19,057,789	523,438	19,581,227	20,659,859	1,078,632	5.51%

*Adjustment C-2.11

Supporting Schedules

Recap Schedules
H-1

Global Water - Palo Verde Utilities Company

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Schedule H-2

Page 2 of 2

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 35.00	\$ 35.00	\$ -	5,549	\$ -
3	Reconnect	35.00	35.00	-	3,583	-
4	NSF Fees	30.00	30.00	-	-	-
5						
6	Proposed Misc. Service Charge Increase					<u>\$ -</u>
7						
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Global Water - Palo Verde Utilities Company
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-3
 Page 1 of 2

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge		
	Present (2021)	Proposed	Change
5/8" X 3/4" Meter	\$ 69.53	\$ 73.03	\$ 3.50
3/4" Meter	69.53	73.03	3.50
1" Meter	173.83	182.57	8.74
1.5" Meter	347.64	365.12	17.48
2" Meter	556.23	584.20	27.97
3" Meter	1,112.45	1,168.39	55.94
4" Meter	1,738.20	1,825.61	87.41
6" Meter	3,476.50	3,651.32	174.82
8" Meter	5,562.40	5,842.11	279.71
Rate Case Expense Surcharge			
2023 and 2024 only			
5/8" X 3/4" Meter	\$ 0.45		
3/4" Meter	0.45		
1" Meter	1.12		
1.5" Meter	2.23		
2" Meter	3.57		
3" Meter	6.70		
4" Meter	11.17		
6" Meter	22.34		
8" Meter	35.74		

Effluent Charge:

	Present (2021)	Proposed	Change
All Gallons (Per Acre Foot)	\$ 534.40	\$ 600.78	\$ 66.39
All Gallons (Per 1,000 Gallons)	1.64	1.84	0.20

Miscellaneous Service Charges

	Present	Proposed
Establishment of Service	\$ 35.00	\$ 35.00
Re-establishment of Service (Within 12 Months)	(a)	(a)
Reconnection of Service (Delinquent)	35.00	35.00
After Hours Service Charge, Per Hour	50.00	50.00
Deposit	(b)	(b)
Deposit Interest		
NSF Check	30.00	30.00
Late Payment Charge (Per Month)	1.50%	1.50%
Deferred Payment Charge (Per Month)	1.50%	1.50%

(a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

(b) Per A.A.C. R14-2-603(B).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Global Water - Palo Verde Utilities Company
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-3
 Page 2 of 2

Monthly Minimum Charges:

Meter Size (All Classes)	Basic Service Charge Phase In				
	Present (2021)	Proposed 2022	Change	Proposed 2023	Change
5/8" X 3/4" Meter	\$ 69.53	\$ 70.07	\$ 0.54	\$ 73.03	\$ 2.96
3/4" Meter	69.53	70.07	0.54	73.03	2.96
1" Meter	173.83	175.18	1.35	182.57	7.39
1.5" Meter	347.64	350.34	2.70	365.12	14.78
2" Meter	556.23	560.55	4.32	584.20	23.65
3" Meter	1,112.45	1,121.09	8.64	1,168.39	47.30
4" Meter	1,736.20	1,751.70	13.50	1,825.61	73.91
6" Meter	3,476.50	3,503.50	27.00	3,651.32	147.82
8" Meter	5,562.40	5,605.60	43.20	5,842.11	236.51

Rate Case Expense Surcharge	
2023 and 2024 only	
5/8" X 3/4" Meter	\$ 0.45
3/4" Meter	0.45
1" Meter	1.12
1.5" Meter	2.23
2" Meter	3.57
3" Meter	6.70
4" Meter	11.17
6" Meter	22.34
8" Meter	35.74

Effluent Charge:	Phase In	Present (2021)	Proposed 2022	Change	Proposed 2023	Change
All Gallons (Per Acre Foot)		\$ 534.40	\$ 567.59	\$ 33.19	\$ 600.78	\$ 33.19
All Gallons (Per 1,000 Gallons)		1.64	1.74	0.10	1.84	0.10

Miscellaneous Service Charges	Present	Proposed
Establishment of Service	\$ 35.00	\$ 35.00
Re-establishment of Service (Within 12 Months)	(a)	(a)
Reconnection of Service (Delinquent)	35.00	35.00
After Hours Service Charge, Per Hour	50.00	50.00
Deposit	(b)	(b)
Deposit Interest		
NSF Check	30.00	30.00
Late Payment Charge (Per Month)	1.50%	1.50%
Deferred Payment Charge (Per Month)	1.50%	1.50%

(a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

(b) Per A.A.C. R14-2-603(B).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Global Water - Palo Verde Utilities Company

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Schedule H-4

Page 1 of 4

Class of Service	Average Monthly Consumption	PHASE 1 of 2		2021 Bill	Proposed Bill 2022	Proposed Increase	
		Present Bill (2021)	TCJA Bill Credit			Amount	%
5/8" Residential	N/A	\$ 69.53	\$ (1.87)	\$ 67.66	\$ 70.07	\$ 2.41	3.47%
3/4" Residential	N/A	69.53	(2.80)	66.73	70.07	3.34	4.80%
1" Residential	N/A	173.83	(4.67)	169.16	175.18	6.02	3.46%
1.5" Residential	N/A	347.64	(9.34)	338.30	350.34	12.04	3.46%
2" Residential	N/A	556.23	(14.94)	541.29	560.55	19.26	3.46%
5/8" Commercial	N/A	69.53	(1.87)	67.66	70.07	2.41	3.47%
3/4" Commercial	N/A	69.53	(2.80)	66.73	70.07	3.34	4.80%
1" Commercial	N/A	173.83	(4.67)	169.16	175.18	6.02	3.46%
1.5" Commercial	N/A	347.64	(9.34)	338.30	350.34	12.04	3.46%
2" Commercial	N/A	556.23	(14.94)	541.29	560.55	19.26	3.46%
3" Commercial	N/A	1,112.45	(28.02)	1,084.43	1,121.09	36.66	3.30%
4" Commercial	N/A	1,738.20	(46.69)	1,691.51	1,751.70	60.19	3.46%
6" Commercial*	N/A	3,476.50	(93.39)	3,383.11	3,503.50	120.39	3.46%
8" Commercial*	N/A	5,562.40	(149.42)	5,412.98	5,605.60	192.62	3.46%

*Currently no 6" or 8" customers.

Global Water - Palo Verde Utilities Company

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Schedule H-4

Page 2 of 4

Class of Service	Average Monthly Consumption	PHASE 2 of 2		2021 Bill	Rate Case Expense Surcharge	Proposed Bill 2023	%
		Present Bill (2021)	TCJA Bill Credit				
5/8" Residential	N/A	\$ 69.53	\$ (1.87)	\$ 67.66	\$ 0.45	\$ 73.48	8.60%
3/4" Residential	N/A	69.53	(2.80)	66.73	0.45	73.48	10.11%
1" Residential	N/A	173.83	(4.67)	169.16	1.12	183.69	8.59%
1.5" Residential	N/A	347.64	(9.34)	338.30	2.23	367.35	8.59%
2" Residential	N/A	556.23	(14.94)	541.29	3.57	587.77	8.59%
5/8" Commercial	N/A	69.53	(1.87)	67.66	0.45	73.48	8.60%
3/4" Commercial	N/A	69.53	(2.80)	66.73	0.45	73.48	10.11%
1" Commercial	N/A	173.83	(4.67)	169.16	1.12	183.69	8.59%
1.5" Commercial	N/A	347.64	(9.34)	338.30	2.23	367.35	8.59%
2" Commercial	N/A	556.23	(14.94)	541.29	3.57	587.77	8.59%
3" Commercial	N/A	1,112.45	(28.02)	1,084.43	6.70	1,175.09	8.36%
4" Commercial	N/A	1,738.20	(46.69)	1,691.51	11.17	1,836.78	8.59%
6" Commercial*	N/A	3,476.50	(93.39)	3,383.11	22.34	3,673.66	8.59%
8" Commercial*	N/A	5,562.40	(149.42)	5,412.98	35.74	5,877.85	8.59%

*Currently no 6" or 8" customers.

Global Water - Palo Verde Utilities Company

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Schedule H-4

Page 3 of 4

Class of Service	Monthly Consumption (1,000s)	Present Rates (2021)	Proposed Rates 2022	Proposed Increase	
				Amount	%
Recycled Water					
	100	\$ 164	\$ 174	\$ 10	6.21%
	1100	1,804	1,916	112	6.21%
	2100	3,444	3,658	214	6.21%
	3100	5,084	5,400	316	6.21%
	4100	6,724	7,142	418	6.21%
	5100	8,364	8,884	520	6.21%
	6100	10,004	10,625	621	6.21%
	7100	11,644	12,367	723	6.21%
	8100	13,284	14,109	825	6.21%
	9100	14,924	15,851	927	6.21%
	10100	16,564	17,593	1,029	6.21%
	11100	18,204	19,335	1,131	6.21%
	12100	19,844	21,077	1,233	6.21%
	13100	21,484	22,818	1,334	6.21%
	14100	23,124	24,560	1,436	6.21%
	15100	24,764	26,302	1,538	6.21%
	16100	26,404	28,044	1,640	6.21%
	17100	28,044	29,786	1,742	6.21%
	18100	29,684	31,528	1,844	6.21%
	19100	31,324	33,270	1,946	6.21%
	20100	32,964	35,011	2,047	6.21%
	21100	34,604	36,753	2,149	6.21%
	22100	36,244	38,495	2,251	6.21%
	23100	37,884	40,237	2,353	6.21%
	24100	39,524	41,979	2,455	6.21%
	25100	41,164	43,721	2,557	6.21%
	26100	42,804	45,463	2,659	6.21%
	27100	44,444	47,205	2,761	6.21%
	28100	46,084	48,946	2,862	6.21%
	29100	47,724	50,688	2,964	6.21%

Global Water - Palo Verde Utilities Company
Test Year Ended December 31, 2019
Classification - Present and Proposed Rates

Schedule H-4
Page 4 of 4

Class of Service	Monthly Consumption (1,000s)	Present Rates (2021)	Proposed Rates 2023	Proposed Increase	
				Amount	%
Recycled Water					
	100	\$ 164	\$ 184	\$ 20	12.42%
	1100	1,804	2,028	224	12.42%
	2100	3,444	3,872	428	12.42%
	3100	5,084	5,716	632	12.42%
	4100	6,724	7,559	835	12.42%
	5100	8,364	9,403	1,039	12.42%
	6100	10,004	11,247	1,243	12.42%
	7100	11,644	13,090	1,446	12.42%
	8100	13,284	14,934	1,650	12.42%
	9100	14,924	16,778	1,854	12.42%
	10100	16,564	18,622	2,058	12.42%
	11100	18,204	20,465	2,261	12.42%
	12100	19,844	22,309	2,465	12.42%
	13100	21,484	24,153	2,669	12.42%
	14100	23,124	25,997	2,873	12.42%
	15100	24,764	27,840	3,076	12.42%
	16100	26,404	29,684	3,280	12.42%
	17100	28,044	31,528	3,484	12.42%
	18100	29,684	33,371	3,687	12.42%
	19100	31,324	35,215	3,891	12.42%
	20100	32,964	37,059	4,095	12.42%
	21100	34,604	38,903	4,299	12.42%
	22100	36,244	40,746	4,502	12.42%
	23100	37,884	42,590	4,706	12.42%
	24100	39,524	44,434	4,910	12.42%
	25100	41,164	46,278	5,114	12.42%
	26100	42,804	48,121	5,317	12.42%
	27100	44,444	49,965	5,521	12.42%
	28100	46,084	51,809	5,725	12.42%
	29100	47,724	53,652	5,928	12.42%

Global Water - Palo Verde Utilities Company

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Schedule H-5

Page 1 of 4

Rate Schedule: All Wastewater

Line		Average	
No.	Class of Service	Number of Bills	Number of Customers
1			
2	5/8" Residential	8,399	700
3	3/4" Residential	236,672	19,723
4	1" Residential	102	9
5	5/8" Commercial	48	4
6	3/4" Commercial	48	4
7	1" Commercial	267	23
8	1.5" Commercial	480	40
9	2" Commercial	875	73
10	3" Commercial	72	6
11	4" Commercial	60	5

Global Water - Palo Verde Utilities Company

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Schedule H-5

Page 2 of 4

Rate Schedule:

Recycled

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills No.	% of Total	Cumulative Consumption Amount	% of Total
0	0	-	-	0.00%	-	0.00%
1	1000	-	-	0.00%	-	0.00%
1001	2000	1,501	1	0.77%	1,501	0.00%
2001	3000	-	1	0.77%	1,501	0.00%
3001	4000	10,502	4	3.08%	12,002	0.00%
4001	5000	22,503	9	6.92%	34,505	0.01%
5001	6000	16,502	12	9.23%	51,006	0.01%
6001	7000	13,001	14	10.77%	64,007	0.01%
7001	8000	7,501	15	11.54%	71,508	0.01%
8001	9000	-	15	11.54%	71,508	0.01%
9001	10000	-	15	11.54%	71,508	0.01%
10001	11000	-	15	11.54%	71,508	0.01%
11001	12000	-	15	11.54%	71,508	0.01%
12001	13000	-	15	11.54%	71,508	0.01%
13001	14000	-	15	11.54%	71,508	0.01%
14001	15000	-	15	11.54%	71,508	0.01%
15001	16000	-	15	11.54%	71,508	0.01%
16001	17000	-	15	11.54%	71,508	0.01%
17001	18000	-	15	11.54%	71,508	0.01%
18001	19000	-	15	11.54%	71,508	0.01%
19001	20000	19,501	16	12.31%	91,008	0.01%
20001	21000	-	16	12.31%	91,008	0.01%
21001	22000	-	16	12.31%	91,008	0.01%
22001	23000	22,501	17	13.08%	113,509	0.02%
23001	24000	-	17	13.08%	113,509	0.02%
24001	25000	-	17	13.08%	113,509	0.02%
25001	26000	-	17	13.08%	113,509	0.02%
26001	27000	-	17	13.08%	113,509	0.02%
27001	28000	-	17	13.08%	113,509	0.02%
28001	29000	-	17	13.08%	113,509	0.02%
29001	30000	-	17	13.08%	113,509	0.02%
30001	31000	-	17	13.08%	113,509	0.02%
31001	32000	-	17	13.08%	113,509	0.02%
32001	33000	-	17	13.08%	113,509	0.02%
33001	34000	-	17	13.08%	113,509	0.02%
34001	35000	-	17	13.08%	113,509	0.02%
35001	36000	-	17	13.08%	113,509	0.02%
36001	37000	-	17	13.08%	113,509	0.02%
37001	38000	-	17	13.08%	113,509	0.02%
38001	39000	-	17	13.08%	113,509	0.02%
39001	40000	-	17	13.08%	113,509	0.02%
40001	41000	-	17	13.08%	113,509	0.02%
41001	42000	-	17	13.08%	113,509	0.02%
42001	43000	-	17	13.08%	113,509	0.02%
43001	44000	-	17	13.08%	113,509	0.02%
44001	45000	44,501	18	13.85%	158,009	0.02%
45001	46000	-	18	13.85%	158,009	0.02%
46001	47000	-	18	13.85%	158,009	0.02%
47001	48000	-	18	13.85%	158,009	0.02%
48001	49000	-	18	13.85%	158,009	0.02%
49001	50000	-	18	13.85%	158,009	0.02%
50001	51000	-	18	13.85%	158,009	0.02%
51001	52000	-	18	13.85%	158,009	0.02%
52001	53000	-	18	13.85%	158,009	0.02%
53001	54000	-	18	13.85%	158,009	0.02%
54001	55000	-	18	13.85%	158,009	0.02%
55001	56000	-	18	13.85%	158,009	0.02%
56001	57000	-	18	13.85%	158,009	0.02%
57001	58000	-	18	13.85%	158,009	0.02%
58001	59000	-	18	13.85%	158,009	0.02%
59001	60000	-	18	13.85%	158,009	0.02%
60001	61000	121,001	20	15.38%	279,010	0.04%
61001	62000	61,501	21	16.15%	340,511	0.05%
62001	63000	62,501	22	16.92%	403,011	0.06%
63001	64000	-	22	16.92%	403,011	0.06%
64001	65000	-	22	16.92%	403,011	0.06%
65001	66000	65,501	23	17.69%	468,512	0.07%
66001	67000	-	23	17.69%	468,512	0.07%
67001	68000	-	23	17.69%	468,512	0.07%
68001	69000	-	23	17.69%	468,512	0.07%
69001	70000	-	23	17.69%	468,512	0.07%
70001	71000	-	23	17.69%	468,512	0.07%
71001	72000	71,501	24	18.46%	540,012	0.08%
72001	73000	-	24	18.46%	540,012	0.08%
73001	74000	-	24	18.46%	540,012	0.08%
74001	75000	-	24	18.46%	540,012	0.08%
75001	76000	-	24	18.46%	540,012	0.08%
76001	77000	-	24	18.46%	540,012	0.08%
77001	78000	-	24	18.46%	540,012	0.08%
78001	79000	-	24	18.46%	540,012	0.08%
79001	80000	-	24	18.46%	540,012	0.08%
80001	81000	-	24	18.46%	540,012	0.08%
81001	82000	-	24	18.46%	540,012	0.08%
82001	83000	-	24	18.46%	540,012	0.08%
83001	84000	-	24	18.46%	540,012	0.08%
84001	85000	-	24	18.46%	540,012	0.08%
85001	86000	-	24	18.46%	540,012	0.08%
86001	87000	-	24	18.46%	540,012	0.08%
87001	88000	-	24	18.46%	540,012	0.08%
88001	89000	-	24	18.46%	540,012	0.08%
89001	90000	89,501	25	19.23%	629,513	0.09%
90001	91000	-	25	19.23%	629,513	0.09%
91001	92000	-	25	19.23%	629,513	0.09%
92001	93000	-	25	19.23%	629,513	0.09%
93001	94000	-	25	19.23%	629,513	0.09%
94001	95000	-	25	19.23%	629,513	0.09%
95001	96000	-	25	19.23%	629,513	0.09%
96001	97000	-	25	19.23%	629,513	0.09%
97001	98000	-	25	19.23%	629,513	0.09%
98001	99000	-	25	19.23%	629,513	0.09%
99001	100000	99,501	26	20.00%	729,013	0.11%

Continued on page 3

Global Water - Palo Verde Utilities Company
Test Year Ended December 31, 2019
Classification - Present and Proposed Rates

Schedule H-5
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Rate Schedule: Recycled

Block	Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
130,000	130,000	1	130,000	27	20.77%	859,013	0.13%
403,000	403,000	1	403,000	28	21.54%	1,262,013	0.19%
446,000	446,000	1	446,000	29	22.31%	1,708,013	0.25%
525,000	525,000	1	525,000	30	23.08%	2,233,013	0.33%
669,000	669,000	1	669,000	31	23.85%	2,902,013	0.43%
797,000	797,000	1	797,000	32	24.62%	3,699,013	0.55%
877,000	877,000	1	877,000	33	25.38%	4,576,013	0.68%
955,000	955,000	1	955,000	34	26.15%	5,531,013	0.82%
980,000	980,000	1	980,000	35	26.92%	6,511,013	0.96%
1,131,000	1,131,000	1	1,131,000	36	27.69%	7,642,013	1.13%
1,223,000	1,223,000	1	1,223,000	37	28.46%	8,865,013	1.31%
1,269,000	1,269,000	1	1,269,000	38	29.23%	10,134,013	1.50%
1,317,000	1,317,000	1	1,317,000	39	30.00%	11,451,013	1.69%
1,343,000	1,343,000	1	1,343,000	40	30.77%	12,794,013	1.89%
1,390,000	1,390,000	1	1,390,000	41	31.54%	14,184,013	2.10%
1,506,000	1,506,000	1	1,506,000	42	32.31%	15,690,013	2.32%
1,542,000	1,542,000	1	1,542,000	43	33.08%	17,232,013	2.55%
1,579,000	1,579,000	1	1,579,000	44	33.85%	18,811,013	2.78%
1,706,000	1,706,000	1	1,706,000	45	34.62%	20,517,013	3.03%
1,743,000	1,743,000	1	1,743,000	46	35.38%	22,260,013	3.29%
1,859,000	1,859,000	1	1,859,000	47	36.15%	24,119,013	3.57%
2,387,000	2,387,000	1	2,387,000	48	36.92%	26,506,013	3.92%
2,405,000	2,405,000	1	2,405,000	49	37.69%	28,911,013	4.27%
2,520,000	2,520,000	1	2,520,000	50	38.46%	31,431,013	4.65%
2,559,000	2,559,000	1	2,559,000	51	39.23%	33,990,013	5.03%
2,585,000	2,585,000	1	2,585,000	52	40.00%	36,575,013	5.41%
2,666,000	2,666,000	1	2,666,000	53	40.77%	39,241,013	5.80%
2,695,000	2,695,000	1	2,695,000	54	41.54%	41,936,013	6.20%
2,928,000	2,928,000	1	2,928,000	55	42.31%	44,864,013	6.63%
2,944,000	2,944,000	1	2,944,000	56	43.08%	47,808,013	7.07%
2,955,000	2,955,000	1	2,955,000	57	43.85%	50,763,013	7.51%
3,085,000	3,085,000	1	3,085,000	58	44.62%	53,848,013	7.96%
3,094,000	3,094,000	1	3,094,000	59	45.38%	56,942,013	8.42%
3,111,000	3,111,000	1	3,111,000	60	46.15%	60,053,013	8.88%
3,173,000	3,173,000	1	3,173,000	61	46.92%	63,226,013	9.35%
3,216,000	3,216,000	1	3,216,000	62	47.69%	66,442,013	9.82%
3,446,000	3,446,000	1	3,446,000	63	48.46%	69,888,013	10.33%
3,447,000	3,447,000	1	3,447,000	64	49.23%	73,335,013	10.84%
3,648,000	3,648,000	1	3,648,000	65	50.00%	76,983,013	11.38%
3,656,000	3,656,000	1	3,656,000	66	50.77%	80,639,013	11.92%
3,661,000	3,661,000	1	3,661,000	67	51.54%	84,300,013	12.46%
3,687,000	3,687,000	1	3,687,000	68	52.31%	87,987,013	13.01%
3,875,000	3,875,000	1	3,875,000	69	53.08%	91,862,013	13.58%
3,915,000	3,915,000	1	3,915,000	70	53.85%	95,777,013	14.16%
4,213,000	4,213,000	1	4,213,000	71	54.62%	99,990,013	14.78%
4,225,000	4,225,000	1	4,225,000	72	55.38%	104,215,013	15.41%
4,305,000	4,305,000	1	4,305,000	73	56.15%	108,520,013	16.04%
4,324,000	4,324,000	1	4,324,000	74	56.92%	112,844,013	16.68%
4,606,000	4,606,000	1	4,606,000	75	57.69%	117,450,013	17.37%
4,725,000	4,725,000	1	4,725,000	76	58.46%	122,175,013	18.06%

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Global Water - Palo Verde Utilities Company
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-5
 Page 4 of 4

Rate Schedule: Recycled

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
			No.	% of Total	Amount	% of Total
4,900,000	4,900,000	1	77	59.23%	127,075,013	18.79%
4,905,000	4,905,000	1	78	60.00%	131,980,013	19.51%
5,171,000	5,171,000	1	79	60.77%	137,151,013	20.28%
5,235,000	5,235,000	1	80	61.54%	142,386,013	21.05%
5,574,000	5,574,000	1	81	62.31%	147,960,013	21.88%
5,699,000	5,699,000	1	82	63.08%	153,659,013	22.72%
5,786,000	5,786,000	1	83	63.85%	159,445,013	23.57%
5,927,000	5,927,000	1	84	64.62%	165,372,013	24.45%
5,963,000	5,963,000	1	85	65.38%	171,335,013	25.33%
6,106,000	6,106,000	1	86	66.15%	177,441,013	26.23%
6,119,000	6,119,000	1	87	66.92%	183,560,013	27.14%
6,459,000	6,459,000	1	88	67.69%	190,019,013	28.09%
6,593,000	6,593,000	1	89	68.46%	196,612,013	29.07%
6,620,000	6,620,000	1	90	69.23%	203,232,013	30.05%
6,679,000	6,679,000	1	91	70.00%	209,911,013	31.04%
6,805,000	6,805,000	1	92	70.77%	216,716,013	32.04%
7,022,000	7,022,000	1	93	71.54%	223,738,013	33.08%
7,227,000	7,227,000	1	94	72.31%	230,965,013	34.15%
7,566,000	7,566,000	1	95	73.08%	238,531,013	35.27%
7,699,000	7,699,000	1	96	73.85%	246,230,013	36.41%
7,701,000	7,701,000	1	97	74.62%	253,931,013	37.54%
8,124,000	8,124,000	1	98	75.38%	262,055,013	38.75%
8,203,000	8,203,000	1	99	76.15%	270,258,013	39.96%
8,475,000	8,475,000	1	100	76.92%	278,733,013	41.21%
8,572,000	8,572,000	1	101	77.69%	287,305,013	42.48%
8,998,000	8,998,000	1	102	78.46%	296,303,013	43.81%
9,418,000	9,418,000	1	103	79.23%	305,721,013	45.20%
9,434,000	9,434,000	1	104	80.00%	315,155,013	46.60%
9,939,000	9,939,000	1	105	80.77%	325,094,013	48.07%
10,011,000	10,011,000	1	106	81.54%	335,105,013	49.55%
10,163,000	10,163,000	1	107	82.31%	345,268,013	51.05%
10,170,000	10,170,000	1	108	83.08%	355,438,013	52.55%
10,192,000	10,192,000	1	109	83.85%	365,630,013	54.06%
10,301,000	10,301,000	1	110	84.62%	375,931,013	55.58%
11,229,000	11,229,000	1	111	85.38%	387,160,013	57.24%
11,490,000	11,490,000	1	112	86.15%	398,650,013	58.94%
11,593,000	11,593,000	1	113	86.92%	410,243,013	60.65%
11,739,000	11,739,000	1	114	87.69%	421,982,013	62.39%
12,231,000	12,231,000	1	115	88.46%	434,213,013	64.20%
12,246,000	12,246,000	1	116	89.23%	446,459,013	66.01%
12,411,000	12,411,000	1	117	90.00%	458,870,013	67.84%
12,509,000	12,509,000	1	118	90.77%	471,379,013	69.69%
13,027,000	13,027,000	1	119	91.54%	484,406,013	71.62%
13,379,000	13,379,000	1	120	92.31%	497,785,013	73.60%
13,839,000	13,839,000	1	121	93.08%	511,624,013	75.64%
15,249,000	15,249,000	1	122	93.85%	526,873,013	77.90%
15,286,000	15,286,000	1	123	94.62%	542,159,013	80.16%
15,673,000	15,673,000	1	124	95.38%	557,832,013	82.48%
16,729,000	16,729,000	1	125	96.15%	574,561,013	84.95%
17,219,000	17,219,000	1	126	96.92%	591,780,013	87.50%
18,220,000	18,220,000	1	127	97.69%	610,000,013	90.19%
21,306,000	21,306,000	1	128	98.46%	631,306,013	93.34%
22,273,000	22,273,000	1	129	99.23%	653,579,013	96.63%
22,779,000	22,779,000	1	130	100.00%	676,358,013	100.00%

Totals	130	676,358,013	130	676,358,013
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Average No. of Customers: 11

Average Consumption: 5,202,754

Median Consumption: 3,648,000

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule A-1

Test Year Ended December 31, 2019

Computation of Increase in Gross Revenue Requirement

Line No.	DESCRIPTION	[A]	[B]	[C] ORIGINAL COST	[D] FAIR VALUE
1	Adjusted Rate Base			\$ 72,207,655	\$ 72,207,655
2					
3	Adjusted Operating Income (Loss)			\$ 4,658,604	\$ 4,658,604
4					
5	Current Rate of Return (Line 3 /Line 1)			6.45%	6.45%
6					
7	Required Operating Income (Line 9 * Line 1)			\$ 6,092,313	\$ 6,092,313
8					
9	Required Rate of Return			8.44%	8.44%
10					
11	Operating Income Deficiency (Line 7 - Line 3)			\$ 1,433,710	\$ 1,433,710
12					
13	Gross Revenue Conversion Factor			1.368777	1.368777
14					
15	Increase in Gross Revenue Requirements			\$ 1,962,429	\$ 1,962,429
16					
17					
18	Customer	Present	Proposed	Dollar	Percent
19	Classification	Rates*	Rates	Increase	Increase
20					
21	Residential	\$ 18,443,606	\$ 19,505,055	\$ 1,061,449	5.8%
22	Commercial	993,757	1,056,919	63,162	6.4%
23	Recycled	1,124,017	1,290,442	166,425	14.8%
24					
25	Total of Water Revenues	\$ 20,561,381	\$ 21,852,417	\$ 1,291,036	6.3%
26					
27	Adjustment**	\$ (529,521)	\$ (4,371)	525,149	-99.2%
28					
29	TCJA Credit Phase In	\$ (146,244)		146,244	-100.0%
30					
31	Miscellaneous Revenues	\$ 437,334	\$ 437,334	\$ -	0.0%
32					
33	Total Operating Revenues	\$ 20,322,951	\$ 22,285,380	\$ 1,962,429	9.7%
34					
35	Total Adjusted Revenues (Schedule C-1)	\$ 20,322,951	\$ 22,285,380	\$ 1,962,429	9.7%
36					
37	*At 2021 Rates as adjusted.				
38	**See Schedule H-1				
39					
40	<u>Supporting Schedules:</u>				
41	B-1				
42	C-1				
43	C-3				
44	H-1				
45					

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule A-2

Test Year Ended December 31, 2019

Summary of Results of Operations

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2017	12/31/2018	Actual 12/31/2019	Adjusted 12/31/2019	Present Rates 12/31/2021	Proposed Rates 12/31/2021
1	Gross Revenues	NA	NA	\$ 19,327,687	\$ 20,322,951	\$ 20,322,951	\$ 22,285,380
2							
3	Revenue Deductions and						
4	Operating Expenses	NA	NA	17,041,820	15,664,347	15,664,347	16,193,067
5							
6	Operating Income	NA	NA	2,285,868	4,658,604	4,658,604	6,092,313
7							
8	Other Income and Deductions	NA	NA	(6,034)	(6,034)	(6,034)	(6,034)
9							
10	Interest Expense	NA	NA	(59,330)	(59,330)	(59,330)	(59,330)
11							
12	Net Income	NA	NA	2,220,503	4,593,240	4,593,240	6,086,278
13							
14	Common Shares	NA	NA	1,000	1,000	1,000	1,000
15							
16	Earned Per Average						
17	Common Share	NA	NA	2,221	4,593	4,593	6,086
18							
19	Dividends Per						
20	Common Share	NA	NA	NA	NA	NA	NA
21							
22	Payout Ratio	NA	NA	NA	NA	NA	NA
23							
24	Return on Average						
25	Invested Capital	NA	NA	2.7%	5.5%	5.5%	7.3%
26							
27	Return on Year End						
28	Capital	NA	NA	2.7%	5.5%	5.5%	7.3%
29							
30	Return on Average						
31	Common Equity	NA	NA	2.7%	5.5%	5.5%	7.3%
32							
33	Return on Year End						
34	Common Equity	NA	NA	2.7%	5.5%	5.5%	7.3%
35							
36	Times Bond Interest Earned						
37	Before Income Taxes	NA	NA	NA	NA	NA	NA
38							
39	Times Total Interest and						
40	Preferred Dividends Earned						
41	After Income Taxes	NA	NA	NA	NA	NA	NA
42							
43	Supporting Schedules:						
44	E-2						
45	C-1						
46	F-1						

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule A-3

Summary of Capital Structure

Line No.	Description	Prior Years Ended		Test Year	Projected Year
		12/31/2017	12/31/2018	12/31/2019	12/31/2021
1	Short-Term Debt	NA	NA	\$ -	\$ -
2					
3	Long-Term Debt	NA	NA	-	-
4					
5	Total Debt	NA	NA	-	-
6					
7	Preferred Stock	NA	NA	-	-
8					
9	Common Equity	NA	NA	83,329,384	83,329,384
10					
11	Total Capital	NA	NA	83,329,384	83,329,384
12					
13	Capitalization Ratios:				
14					
15	Short-Term Debt	NA	NA	-	-
16					
17	Long-Term Debt	NA	NA	-	-
18					
19	Total Debt	NA	NA	-	-
20					
21	Preferred Stock	NA	NA	-	-
22					
23	Common Equity	NA	NA	100%	100%
24					
25	Total Capital	NA	NA	100%	100%
26					
27	Weighted Cost of				
28	Short-Term Debt	NA	NA	-	-
29					
30	Weighted Cost of				
31	Long-Term Debt	NA	NA	-	-
32					
33	Weighted Cost of				
34	Senior Debt	NA	NA	-	-
35					
36	<u>Supporting Schedules:</u>				
37	E-1				
38	D-1				

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule A-4

Construction Expenditures and Gross Utility Plant Placed in Service

Line No.			Construction Expenditures	Net Plant Placed In Service	Gross Utility Plant In Service
1	Prior Year Ended	12/31/2017	NA	NA	NA
2					
3	Prior Year Ended	12/31/2018	NA	NA	NA
4					
5	Test Year Ended	12/31/2019	4,249,912	\$11,809,123	156,011,557
6					
7	Projected Year Ended	12/31/2020	1,809,879	1,809,879	157,821,437
8					
9					
10			1,528,908		
11					
12					
13	<u>Supporting Schedules:</u>				
14	F-3				
15	E-5				
16					
17					
18					
19					
20					

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Comparative Statement of Changes in Financial Position

Schedule A-5

Line No.		Prior Years Ended		Test Year 12/31/2019	Projected Year	
		12/31/2017	12/31/2018		Present Rates 12/31/2020	Proposed Rates 12/31/2020
1	Operating Activities					
2	Net income (loss)	NA	NA	\$ 2,220,503	\$ 4,593,240	\$ 6,026,949
3	Adjustment to reconcile net income (loss)					
4	Deferred compensation	NA	NA	-	-	-
5	Depreciation	NA	NA	4,459,098	4,730,565	4,730,565
6	Amortization	NA	NA	-	-	-
7	Amortization of deferred debt issuance costs and discounts	NA	NA	-	-	-
8	Write-off of debt issuance costs	NA	NA	-	-	-
9	Gain on sale of 303 contracts	NA	NA	-	-	-
10	(Gain) Loss on Equity Investment	NA	NA	-	-	-
11	Other gains and losses	NA	NA	-	-	-
12	(Gain) Loss on disposal of fixed assets	NA	NA	736	736	736
13	Loss on Sale of Willow Valley	NA	NA	-	-	-
14	Provision for doubtful accounts receivable	NA	NA	55,316	55,316	55,316
15	Deferred income tax (benefit) expense	NA	NA	2,343,495	2,343,495	2,343,495
16	Accounts receivables	NA	NA	(153,520)	(153,520)	(153,520)
17	Other Receivables	NA	NA	108,559	108,559	108,559
18	Accrued revenue	NA	NA	(46,900)	(46,900)	(46,900)
19	Infrastructure coordination and financing fee receivable	NA	NA	-	-	-
20	Income taxes receivable	NA	NA	-	-	-
21	Other current assets	NA	NA	37,965	37,965	37,965
22	Accounts payable and other current liabilities	NA	NA	391,051	391,051	391,051
23	Other noncurrent assets	NA	NA	(4,499,316)	(4,499,316)	(4,499,316)
24	Other noncurrent liabilities	NA	NA	-	-	-
25	Deferred revenue and prepaid ICFA fees	NA	NA	-	-	-
26	Net cash (used) provided by operating activities	NA	NA	4,916,987	7,561,191	8,994,900
27						
28	Investing Activities					
29	Capital expenditures	NA	NA	(4,491,001)	(1,809,879)	(1,809,879)
30	Purchase adjustments	NA	NA	-	-	-
31	Proceeds from sale of fixed and intangible assets	NA	NA	-	-	-
32	(Deposits) withdrawals of restricted cash	NA	NA	(381,259)	(381,259)	(381,259)
33	Deposits	NA	NA	-	-	-
34	Advance in aid of construction release	NA	NA	-	-	-
35	Net cash used in investing activities	NA	NA	(4,872,260)	(2,191,138)	(2,191,138)
36						
37	Financing Activities					
38	Proceeds from bond	NA	NA	-	-	-
39	Deposits in bond service fund	NA	NA	-	-	-
40	Proceeds withdrawn from bond service fund	NA	NA	-	-	-
41	Repayments of bond debt	NA	NA	-	-	-
42	(Deposit into)/ redemption from escrow for debt service	NA	NA	-	-	-
43	Loan borrowings	NA	NA	-	-	-
44	Loan repayments	NA	NA	-	-	-
45	Principal payments under capital lease	NA	NA	-	-	-
46	Payment of Sonoran acquisition liability	NA	NA	-	-	-
47	Acquisition of utilities, deferred acquisition payments	NA	NA	-	-	-
48	Financing costs paid	NA	NA	-	-	-
49	Debt issuance costs paid	NA	NA	-	-	-
50	Advances in aid of construction	NA	NA	265,876	265,876	265,876
51	Dividends Paid	NA	NA	-	-	-
52	Proceeds from sale of stock	NA	NA	-	-	-
53	Contributions in aid of construction under ICFA agreements	NA	NA	-	-	-
54	Payments of offering costs for sale of stock	NA	NA	-	-	-
55	Refunds of advances for construction	NA	NA	(310,580)	(310,580)	(310,580)
56	Net cash (used) provided by financing activities	NA	NA	(44,704)	(44,704)	(44,704)
57	Net change in cash	NA	NA	23	5,325,348	6,759,057
58						
59	<u>Supporting Schedules:</u>					
60	E-3					
61	F-2					
62						

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule B-1

Summary of Fair Value Rate Base

Line No.		Original Cost Rate Base As Filed
1	Plant in Service	157,133,405
2	Less: Accumulated Depreciation	(46,143,772)
3		
4	Net Plant in Service	110,989,633
5		
6	<u>LESS:</u>	
7	Net Contributions in Aid of Construction (CIAC)	7,694,194
8	Advances in Aid of Construction (AIAC)	29,653,990
9	Customer Deposits	677,530
10	Deferred Income Tax Credits	914,495
11		
12	<u>ADD:</u>	
13	Unamortized Finance Charges	
14	Deferred Tax Assets	(296,890)
15	Working Capital	(39,909)
16	Utility Plant Acquisition Adjustment	495,030
17		
18	Original Cost Rate Base	72,207,655
19		
20		
21		
22		
23	<u>Supporting Schedules:</u>	Recap Schedules
24	B-2	A-1
25	B-3	
26	E-1	
27	B-5	

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Detail Plant in Service

Schedule B-2

Page 1 of 2

Line No.	A Actual Test Year End	B PTYP Adjustment 1 B.2.1	C Adjustment 2 B.2.2	D Adjustment 3 B.2.3	E Adjustment 4 B.2.4	F Adjustment 5 B.2.5	G Adjustment 6 B.2.6	H Adjusted Test Year As Filed
1	Utility Plant in Service							
2	351 Organization	\$ 11,982						\$ 11,982
3	352 Franchises	59,751						59,751
4	353 Land and Land Rights	281,091	28,356					309,447
5	354 Structures and Improvements	39,391,607	186,848		(688,031)			38,890,424
6	355 Power Generation Equipment	1,362,303						1,362,303
7	360 Collections Wastewater - Force	5,171,377	15,000					5,186,377
8	361 Collections Wastewater - Gravity	57,764,202	190,232					57,954,434
9	362 Special Collecting Structures	695,132						695,132
10	363 Services to Customers	5,965,025						5,965,025
11	364 Flow Measuring Devices	59,429	14,864					74,293
12	365 Flow Measuring Installations	-						-
13	366 Reuse Services	45,372						45,372
14	367 Reuse Meters & Meter Installations	-						-
15	370 Receiving Wells	1,183,361						1,183,361
16	371 Pumping Equipment	5,746,945	515,494					6,262,439
17	374 Reuse Distribution Reservoirs	1,657,371						1,657,371
18	375 Reuse Trans. And Distr. Equipment	15,174,878	6,364					15,181,242
19	380 Treatment and Disposal Equipment	15,462,782	731,269					16,194,051
20	381 Plant Sewers	789,702						789,702
21	382 Outfall Sewer Lines	353,645						353,645
22	389 Other Plant and Misc. Equipment	2,445,036	5,625					2,450,661
23	390 Office Furniture and Equipment	115,872	1,366					117,238
24	390.1 Computer & Software	370,017	57,052					427,068
25	391 Transportation Equipment	581,168						581,168
26	392 Stores Equipment	-						-
27	393 Tools, Shop and Garage Equipment	195,721						195,721
28	394 Laboratory Equipment	23,642						23,642
29	395 Power Operated Equipment	186,183						186,183
30	396 Communication Equipment	80,508						80,508
31	397 Miscellaneous Equipment	597,885	15,000					612,885
32	398 Other Tangible Plant	239,571	42,409					281,980
33		-						-
34		-						-
35		-						-
36	Total Utility Plant in Service	156,011,557	1,809,879	-	-	(688,031)	-	157,133,405
37								
38	107 Construction Work in Progress	16,582,676				140,824		16,723,500
39								
40	Total Plant	172,594,233	1,809,879	-	-	(547,207)	-	173,856,906
41								
42	Total Accum. Depreciation	(46,376,502)	(65,295)			11,467	286,558	(46,143,772)
43								
44	Total Net Plant	218,970,735	1,875,174	-	-	(558,674)	(286,558)	127,713,134

Supporting Schedules

E-1

Recap Schedule

B-1

	UNADJUSTED	ADJ #B1	ADJ #B2	ADJ #B3	ADJ #B4	ADJ #B5	ADJ #B6	ADJ #B7	ADJUSTED
Gross Plant in Service:	156,011,557	1,809,879	-	-	(688,031)	-	-	-	157,133,405
Less:									
Accumulated Depreciation	(46,376,502)	(65,295)	-	-	11,467	286,558	-	-	(46,143,772)
Net Plant in Service	109,635,055	1,744,584	-	-	(676,564)	286,558	-	-	110,989,633
Less:									
Advances in Aid of Construction	29,653,990								29,653,990
Contributions in Aid of Construction									
Gross	8,197,080								8,197,080
Accumulated Amortization	(502,886)								(502,886)
Net Contributions in Aid of Construe	7,694,194								7,694,194
Deferred Income Tax	6,569,714	(4,210)	(5,651,009)						914,495
Customer Deposits	677,530								677,530
Add:									
Working Capital	(39,909)								(39,909)
Deferred Tax Assets	134,252		(431,142)						(296,890)
Utility Plant Acquisition Adjustment*	916,207			(421,178)					495,030
Total Rate Base:	66,050,177	1,748,795	5,219,867	(421,178)	(676,564)	286,558	-	-	72,207,655

*Red Rock Only

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule B-2.1

Adjustment 1 Post Test Year Plant

LINE NO.

NARUC	Asset Cost Projects				Total	Depreciation Rate	Depreciation Expense
	Completed as of Filing	Adjustments	901 Allocation	Projected Thru 2020 Year End			
353	28,356	-	-	-	28,356	0%	-
354	159,848	-	-	27,000	186,848	3.33%	6,222
360	-	-	-	15,000	15,000	2.00%	300
361	148,732	-	-	41,500	190,232	2.00%	3,805
364	14,864	-	-	-	14,864	10.00%	1,486
371	235,494	-	-	280,000	515,494	12.50%	64,437
375	6,364	-	-	-	6,364	2.50%	159
380	731,269	-	-	-	731,269	5.00%	36,563
389	5,625	-	-	-	5,625	6.67%	375
390	-	-	1,366	-	1,366	6.67%	91
390.1	14,437	-	42,614	-	57,052	20.00%	11,410
395	395,811	(395,811)	-	-	-	5.00%	-
397	-	-	-	15,000	15,000	10.00%	1,500
398	32,409	-	-	10,000	42,409	10.00%	4,241
TOTAL	1,773,210	(395,811)	43,980	388,500	1,809,879		130,590

Accumulated Depreciation With Half Year Convention

\$ 65,295

AD Tax* \$ 45,247

AD Regulatory 65,295

Difference (20,048)

Tax Rate 21%

Change in ADIT (4,210)

*5% Depreciation Rate Applied to all Plant

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule B-2.2

Adjustment 2 Deferred Tax

LINENO.

1	Deferred Tax Liability (Book)	6,569,714
2	Less	
3	Assets affected by Valencia Deferred Gain	5,651,009
4	Deferred Tax Liability (Adjusted)	918,705
5		
6		
7	Deferred Tax Assets (Book)	134,252
8	Less	
9	Deferred Compensation	356,208
10	Options Expense	74,935
11	Total Adjustment	431,142
12		
13	Deferred Tax Assets (Adjusted)	(296,890)
14		
15		
16		
17		
18		
19		

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule B-2.3

Adjustment to Acquisition Premium

Line No.	Estimate of Red Rock Sewer 10/16/2018 Rate Base	
1	Plant in Service	\$13,224,295
2	Less: Accumulated Depreciation	(4,099,598)
3		
4	Net Plant in Service	9,124,697
5		
6	<u>LESS:</u>	
7	Net CIAC	5,120,495
8	Advances in Aid of Construction (AIAC)	\$1,529,054
9	Customer Deposits	-
10	Deferred Income Tax Credits	-
11		
12	<u>ADD:</u>	
13	Unamortized Finance Charges	-
14	Deferred Tax Assets	-
15	Working Capital	-
16	Utility Plant Acquisition Adjustment	-
17		
18	<u>Original Cost Rate Base</u>	<u>2,475,148</u>
19		
20	% Cap on AP per Decision No 75626	20%
21		
22	Allowable Acquisition Premium	495,030
23		
24	Acquisition Premium (Book)	916,207
25		
26	Adjustment	(421,178)
27		

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule B-2.4

Adjustment 4 Groves Plant Write OffLINE NO.

1	Account 354 Book	36,308,015
2	Less Groves Transfer to CWIP	(140,824)
3	Less Groves Plant Write Off (Account 354)	(547,207)
4	Account 354 Book Adjusted	35,619,983
5		
6	Reversal of Accumulated Depreciation	11,467

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule B-2.5

Rate Base Adjustment 5 Accumulated Depreciation Restatement

Line

No.

1 Adjustment to accumulated depreciation to account for

2 assignment of correct service lives.

3

		2019 Depr	Retained	
	NARUC Account	Adjustment	Earnings	Total Accum Depr
			Adjustment	Adjust
4				
5	354	(575)	80,736	80,161
6	355	(0)	4,758	4,758
7	360	0	(69,656)	(69,656)
8	361	(0)	(120,659)	(120,659)
9	362	11	(192)	(181)
10	363	0	(8,622)	(8,622)
11	364	66	299	365
12	370	(0)	(1,555)	(1,555)
13	371	824	5,370	6,194
14	374	(6,154)	(70,774)	(76,929)
15	375	(20,189)	(86,891)	(107,079)
16	380	3,162	24,818	27,980
17	381	0	(9,730)	(9,730)
18	382	(0)	887	887
19	389	293	7,200	7,493
20	390.1	(467)	(621)	(1,088)
21	393	(186)	(1,554)	(1,740)
22	394	11	82	93
23	395	(45)	26	(19)
24	396	1,399	(2,780)	(1,382)
25	398	6,340	(22,190)	(15,850)
26	TOTAL	(15,509)	(271,049)	(286,558)
27				
28	Accumulated Depreciation Book			(46,376,502)
29				
30	Adjustment 2.5			286,558
31				
32	Accumulated Depreciation Adjusted			(46,089,944)
33				

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Schedule B-3 RCND Rate Base Pro forma

LINE NO.

- | | |
|---|--|
| 1 | The Company has opted not to perform a RCND study and adopts its |
| 2 | original cost rate base as the fair value rate base. |
| 3 | |
| 4 | |
| 5 | |
| 6 | |

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Schedule B-4 RCND By Major Plant Account

LINE NO.

- | | |
|---|--|
| 1 | The Company has opted not to perform a RCND study and adopts its |
| 2 | original cost rate base as the fair value rate base. |
| 3 | |
| 4 | |
| 5 | |
| 6 | |

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Schedule B-5 Computation of Working Capital

Schedule B-5
Page 1 Of 2

LINE NO.

		Test Year Results	Revenue Lag Days	Expense Lag Days	Net Lag Days	Lead / Lag Factor	Working Cash Requirement
1	Operating Expenses						
2							
3	Purchased Power	\$ 1,644,009	\$ 39	\$ 24	\$ 16	0.0436	\$ 71,683
4	Payroll	5,849,624	39	9	31	0.0842	492,369
5	Chemicals	265,021	39	17	22	0.0612	16,221
6	Property & Liability Insurance	280,025	39	2	37	0.1019	28,546
7	Worker's Compensation Insurance	90,650	39	(69)	108	0.2971	26,932
8	Medical, Vision, Dental, LTD & Life Insurance	642,050	39	3	36	0.0990	63,543
9	Other O&M (Excluding Rate Case Expense)	1,053,862	39	38	1	0.0029	3,028
10	Federal Income Taxes	86,375	39	38	2	0.0054	463
11	State Income Taxes	141,000	39	38	2	0.0054	757
12	FICA Taxes	371,590	39	9	31	0.0842	31,277
13	FUTA & SUTA Taxes	4,979	39	9	31	0.0842	419
14	Property Taxes	2,165,582	39	180	(140)	(0.3839)	(831,277)
15	Registration, Svc. Contracts, & Misc. Fees	1,683,381	39	34	5	0.0146	24,643
16	Retirement Annuities (401k)	163,492	39	66	(26)	(0.0713)	(11,665)
17							
18	Total	\$ 14,441,639					\$ (83,060)
19							
20							
21	Supporting Schedules						Recap Schedules
22	(a) E-1						B-1
23							
24							
25							
26							
27							

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule B-5 Computation of Working Capital

Schedule B-5

Page 2 Of 2

LINE NO.

			2019 Year	Allocation	
	Total Working Cash		End	Percent	of
	Requirement		Counts	Allocation	Working
1					Capital
2	\$ (83,059.87)	Palo Verde	21,109	46.1%	\$ (38,307)
3		Santa Cruz	21,357	46.7%	(38,757)
4		North Scottsdale	92	0.2%	(167)
5		Tonopah	413	0.9%	(749)
6		Eagletail	57	0.1%	(103)
7		Turner Ranches	963	2.1%	(1,748)
8		Red Rock Sewer	883	1.9%	(1,602)
9		Red Rock Water	896	2.0%	(1,626)
10			45,770		
11					
12		Palo Verde RRS Consolidated			(39,909)
13		Santa Cruz RRW Consolidated			(40,383)
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule C-1

Test Year Ended December 31, 2019

Adjusted Test Year Income Statement

Line No.	[A] Actual Test Year	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Proposed Rate Increase	[E] Adjusted With Rate Increase
Operating Revenue					
521 Flat Rate Revenues	17,968,549	995,264	18,963,813	1,962,429	20,926,242
522 Measured Revenues	921,804	-	921,804	-	921,804
534 Rents from Wastewater Property	63,911	-	63,911	-	63,911
536 Other Wastewater Revenues	373,423	-	373,423	-	373,423
	-	-	-	-	-
Total Revenues	19,327,687	995,264	20,322,951	1,962,429	22,285,380
Operating Expenses					
701 Salaries and Wages	3,175,878	401,679	3,577,556	-	3,577,556
704 Employee Pensions and Benefits	431,921	-	431,921	-	431,921
710 Purchased Wastewater Treatment	-	-	-	-	-
711 Sludge Removal Expense	24,876	-	24,876	-	24,876
715 Purchased Power	725,867	18,184	744,051	-	744,051
716 Fuel for Power Production	-	-	-	-	-
718 Chemicals	244,940	6,509	251,449	-	251,449
720 Materials and Supplies	55,618	-	55,618	-	55,618
720.1 Repairs and Maintenance	169,575	-	169,575	-	169,575
720.2 Office Supplies and Expense	-	-	-	-	-
721 Office Expense	130,368	20,159	150,526	-	150,526
731 Contractual Services -Engineering	-	-	-	-	-
732 Contractual Services - Accounting	347,231	-	347,231	-	347,231
733 Contractual Services - Legal	249,955	-	249,955	-	249,955
734 Contractual Services - Management Fees	882,758	(882,758)	-	-	-
735 Contractual Services - Testing	48,421	-	48,421	-	48,421
736 Contractual Services - Other	281,990	471,198	753,188	-	753,188
740 Rents - Building	85,165	-	85,165	-	85,165
Intentionally Left Blank	-	-	-	-	-
742 Rents - Equipment	29,939	-	29,939	-	29,939
750 Transportation Expenses	108,937	-	108,937	-	108,937
756 Insurance - Vehicle	-	-	-	-	-
757 Insurance - General Liability	208,213	-	208,213	-	208,213
758 Insurance - Worker's Compensation	44,541	-	44,541	-	44,541
759 Insurance - Other	-	-	-	-	-
760 Advertising Expense	13,988	-	13,988	-	13,988
766 Regulatory Commission Expense - Rate Case	-	-	-	-	-
767 Regulatory Commission Expense - Other	34,683	(24,862)	9,821	-	9,821
770 Bad Debt Expense	59,581	3,068	62,649	6,050	68,699
775 Miscellaneous Expense	1,323,352	20,160	1,343,512	-	1,343,512
403 Depreciation Expense	4,459,099	271,466	4,730,565	-	4,730,565
408 Taxes Other Than Income	98,833	-	98,833	-	98,833
408.11 Property Taxes	1,219,728	321,447	1,541,176	48,049	1,589,225
408.12 Payroll Taxes	186,060	-	186,060	-	186,060
408.13 Other Taxes and Licenses	2,714	-	2,714	-	2,714
409 Income Taxes	2,397,589	(2,003,722)	393,868	474,621	868,489
Total Operating Expenses	17,041,820	(1,377,473)	15,664,347	528,720	16,193,067
Operating Income / (Loss)	2,285,868	2,372,736	4,658,604	1,433,709	6,092,313
Other Income / (Expense)					
414 Gain/Loss on Dispositions	(736)	-	(736)	-	(736)
419 Interest and Dividend Income	2,755	-	2,755	-	2,755
421 Non-Utility Income	(7,155)	-	(7,155)	-	(7,155)
426 Miscellaneous Non-Utility (Expense)	(898)	-	(898)	-	(898)
427 Interest (Expense)	(59,330)	-	(59,330)	-	(59,330)
Total Other Income / (Expense)	(65,364)	-	(65,364)	-	(65,364)
Net Income / (Loss)	2,220,503	2,372,736	4,593,240	1,433,709	6,026,949

Global Water-Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Adjusted Test Year Income Statement

Schedule C2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjusted	Adjustment	Adjustment	Adjustment	Adjustment	Adjusted
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Test Year	16	17	18	19	20	Adjusted
	Actual	Bad Debt	Property Tax	Income Tax	Rate Phase In	Depreciation	Payroll	Bonus	FATHOM	Half Year Conv	CAP Removal	Amortization	Graves	Depreciation	Restatement	As Filed	Bad Debt	Property Tax	Income Tax	Revenue Increase	Income Tax	With
	Test Year	C-2.1	C-2.2	C-2.3	C-2.4	C-2.5	C-2.6	C-2.7	C-2.8	C-2.9	C-2.10	C-2.11	C-2.12	C-2.13	C-2.14	C-2.15	C-2.1	C-2.2	C-2.3	A-1	Income Tax	Rate Increase
Operating Revenue																						
521 Net Rate Revenues	17,908,549				469,658							525,608					18,961,813			1,962,429		20,026,242
522 Measured Revenues	921,804																921,804					921,804
534 Rents from Wastewater Property	61,911																61,911					61,911
536 Other Wastewater Revenues	373,423																373,423					373,423
	-																-					-
Total Revenues	19,527,687																20,322,051					22,285,180
Operating Expenses																						
701 Salaries and Wages	3,175,878						418,683	(398,250)	381,251								3,577,556					3,577,556
704 Employee Pensions and Benefits	431,921																431,921					431,921
710 Purchased Wastewater Treatment	-																-					-
711 Sludge Removal Expense	24,876																24,876					24,876
715 Purchased Power	725,867												16,184				744,051					744,051
716 Fuel for Power Production	-																-					-
718 Chemicals	244,940												6,509				251,449					251,449
720 Materials and Supplies	55,618																55,618					55,618
720.1 Repairs and Maintenance	169,575																169,575					169,575
720.2 Office Supplies and Expense	-																-					-
721 Office Expense	130,368								20,159								150,526					150,526
731 Contractual Services - Engineering	-																-					-
732 Contractual Services - Accounting	347,231																347,231					347,231
733 Contractual Services - Legal	249,935																249,935					249,935
734 Contractual Services - Management Fees	882,758								(882,758)								-					-
735 Contractual Services - Testing	48,421																48,421					48,421
736 Contractual Services - Other	281,990								471,198								753,188					753,188
740 Rents - Building	85,165																85,165					85,165
Intentionally Left Blank	-																-					-
742 Rents - Equipment	29,939																29,939					29,939
750 Transportation Expenses	108,937																108,937					108,937
755 Insurance - Vehicle	-																-					-
757 Insurance - General Liability	208,213																208,213					208,213
758 Insurance - Worker's Compensation	44,541																44,541					44,541
759 Insurance - Other	-																-					-
760 Advertising Expense	13,988																13,988					13,988
766 Regulatory Commission Expense - Rate Case	-																-					-
767 Regulatory Commission Expense - Other	34,683											(24,862)					9,821					9,821
770 Bad Debt Expense	59,581	3,068															62,649	6,068				68,699
775 Miscellaneous Expense	1,343,512								20,160	233,147							1,343,512					1,343,512
403 Depreciation Expense	4,730,565					65,295								(11,467)	(15,509)		4,730,565					4,730,565
408 Taxes Other Than Income	98,833																98,833					98,833
408.11 Property Taxes	1,219,728		321,447														1,541,176			48,049		1,589,225
408.12 Payroll Taxes	186,060																186,060					186,060
408.13 Other Taxes and Licenses	2,714																2,714					2,714
409 Income Taxes	2,397,589			(2,003,722)													393,867			474,621		868,489
Total Operating Expenses	17,043,620	3,068	(321,447)	(2,003,722)	-	(65,295)	418,683	(398,250)	10,010	233,147	(24,862)	24,693	(11,467)	(15,509)	-	-	15,664,347	6,068	48,049	(474,621)	-	16,133,067
Operating Income / (Loss)	2,285,868	(3,068)	(321,447)	2,003,722	-	(65,295)	(418,683)	398,256	(10,010)	(233,147)	24,862	(24,693)	11,467	15,509	-	-	4,658,604	(6,068)	(48,049)	(474,621)	-	6,092,313
Other Income / (Expense)																						
414 Gain/Loss on Dispositions	(736)																(736)					(736)
419 Interest and Dividend Income	2,755																2,755					2,755
421 Non-Utility Income	(7,155)																(7,155)					(7,155)
426 Miscellaneous Non-Utility (Expense)	(898)																(898)					(898)
427 Interest (Expense)	(59,336)																(59,336)					(59,336)
Total Other Income / (Expense)	(65,364)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,364)	-	-	-	-	(65,364)
Net Income / (Loss)	2,220,503	(3,068)	(321,447)	2,003,722	-	(65,295)	(418,683)	398,256	(10,010)	(233,147)	24,862	(24,693)	11,467	15,509	-	-	4,593,240	(6,068)	(48,049)	(474,621)	-	6,026,949

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule C-2.1

Income Statement Adjustment 1 & 16

Adjust Bad Debt Expense for Change in Revenue Levels

Line

No.

1	Bad Debt Expense - Test Year Actual (Sch C-2)	\$	59,581
2	Actual Test Year Revenues (Sch C-2)		19,327,687
3	Bad Debt Expense Rate		0.3083%
4			
5			
6	Adjusted Test Year Revenues (Sch C-2)	\$	20,322,951
7	Bad Debt Expense Rate		0.3083%
8	Expected Bad Debt Expense	\$	62,649
9			
10	Adjustment to Bad Debt Expense Based on Adjusted Test Year Revenues	\$	3,068
11			
12			
13	Proposed Revenues (Sch C-2)	\$	22,285,380
14	Bad Debt Expense Rate		0.3083%
15	Expected Bad Debt Expense Based on Proposed Revenues	\$	68,699
16			
17	Adjustment to Bad Debt Expense	\$	6,050
18			
19			
20			

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule C-2.2

Income Statement Adjustments 2 & 17

Adjustment to Property Tax

Line No.		Test Year As Adjusted	Proposed
1	Adjusted Test Year Revenues	\$ 20,322,951	\$ 20,322,951
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	40,645,902	\$ 40,645,902
4	Proposed Revenue Requirement	20,322,951	\$ 22,285,380
5	Subtotal (Line 3 + Line 4)	60,968,853	62,931,282
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	20,322,951	\$ 20,977,094
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	40,645,902	\$ 41,954,188
10	Plus: 10% of CWIP -	1,658,268	1,658,268
11	Less: Net Book Value of Licensed Vehicles	340,974	340,974
12	Full Cash Value (Line 9 + Line 10 - Line 11)	41,963,195	\$ 43,271,481
13	Assessment Ratio	18.0%	18.0%
14	Assessment Value (Line 12 * Line 13)	7,553,375	\$ 7,788,867
15	Composite Property Tax Rate	20.4038%	20.4038%
16			
17	Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 1,541,176	
18	Actual Test Year Property Tax Expense	1,219,728	
19			
20	Test Year Adjustment (Line 17-Line 18)	\$ 321,447	
21	Property Tax - Recommended Revenue (Line 14 * Line 15)		\$ 1,589,225
22	Test Year Adjusted Property Tax Expense (Line 17)		1,541,176
23	Increase in Property Tax Expense Due to Increase in Revenue Requirement		\$ 48,049
24			
25	Increase to Property Tax Expense		\$ 48,049
26	Increase in Revenue Requirement		1,962,429
27	Increase to Property Tax per Dollar Increase in Revenue (Line 25/Line 26)		2.448456%
28			
29			

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule C-2.3

Income Statement Adjustments 3 & 20

Income Taxes

LINE NO.	DESCRIPTION	[A] TEST YEAR ACTUAL	[B] ADJUSTMENTS	[C] ADJUSTED TEST YEAR AS FILED
1	Income Taxes	\$ 2,397,589	\$ (2,003,722)	\$ 393,868
2				
3				
4		ADJUSTED TEST		ADJUSTED WITH
5	DESCRIPTION	YEAR AS FILED	ADJUSTMENTS	RATE INCREASE
6				
7		\$ 393,868	\$ 474,621	\$ 868,489
8				
9				
10				
11				
12				

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule C-2.4

Test Year Ended December 31, 2019

Income Statement Adjustments 4

Phase In of Rates Through 2021

LINE NO.	DESCRIPTION	[A] TEST YEAR ACTUAL	[B] ESTIMATED 2020 RATE PHASE IN REVENUE IMPACT <u>Palo Verde</u>	[C] ESTIMATED 2021 RATE PHASE IN REVENUE IMPACT <u>Palo Verde</u>	[D] ESTIMATED 2020 RATE PHASE IN REVENUE IMPACT <u>Red Rock</u>	[E] 2020 TCJA Credit Impact Relative to 2019	[F] 2021 TCJA Credit Impact Relative to 2020	[G] ADJUSTED TEST YEAR AS FILED
1	Flat Rate Revenues	\$ 17,968,549	\$ 269,607	\$ 272,138	\$ 74,157	\$ (73,122)	\$ (73,122)	\$ 18,438,207
2								
3	Total 2020 - 2021 ADJUSTMENT							
4	\$ 469,658							
5								
6								
7	TCJA Bill Credit 2019	\$522,537						
8	TCJA Bill Credit 2020	\$595,659						
9	Change	(73,122)						
10								
11	TCJA Bill Credit 2020	\$595,659						
12	TCJA Bill Credit 2021	\$668,781						
13	Change	(73,122)						
14								

65,295

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule C-2.6

Income Statement Adjustments 6

Payroll Adjustments

Line

Number	Position Title	Palo Verde	Santa Cruz	Red Rock Sewer	Red Rock Water	Tonopah	Eagletail	Scottsdale	Turner Ranches
1	O&M 2019 Vacancies (Salary plus benefits)								
2	Maintenance Engineer	-	-	-	-	55,689	7,686	12,405	-
3	Client Services Analyst	5,185	5,185	-	-	-	-	-	-
4	Water Quality Technician	10,590	10,727	436	459	207	23	46	482
5	Instrumental Control Specialist	9,742	9,742	-	-	-	-	-	-
6	Asset Mgmt & Maintenance Superintendent	2,021	2,021	-	-	-	-	-	-
7	Operator 1 - PVUC Only	-	-	3,165	3,212	-	-	-	-
8	Operator 1 - Maricopa PV Split	25,184	2,798	-	-	-	-	-	-
9	Operator 1 - Maricopa PV Split	27,387	3,043	-	-	-	-	-	-
10	Operator 1 - Maricopa SC Split	1,777	15,995	-	-	-	-	-	-
11	Total O&M 2019 Vacancies	81,885	49,512	3,602	3,671	55,896	7,709	12,451	482
12									
13	O&M New Positions 2020 (Salary plus benefits)								
14	West Valley OPS	-	-	-	-	46,690	6,444	10,401	-
15	West Valley OPS on call	-	-	-	-	4,101	566	913	-
16	Env Compliance Supervisor	59,888	60,668	2,468	2,598	1,169	130	260	2,728
17	EMMT I	36,099	36,099	-	-	-	-	-	-
18	Total O&M New Positions 2020	95,988	96,767	2,468	2,598	51,960	7,140	11,574	2,728
19									
20	G&A 2019 Vacancies (Salary plus Benefits)								
21	Development Services Project Manager	32,302	32,723	1,331	1,401	631	70	140	1,471
22	Regulatory Accountant	24,227	24,542	998	1,051	473	53	105	1,104
23	Safety and Programs Coordinator	19,568	19,822	806	849	382	42	85	891
24	Total G&A 2019 Vacancies	76,097	77,087	3,136	3,301	1,486	165	330	3,466
25									
26	G&A New Positions 2020 (Salary plus Benefits)								
27	Engineer	18,574	18,816	766	806	363	40	81	846
28	Director of IT	99,835	101,135	4,115	4,331	1,949	217	433	4,548
29	Water Resources Support Specialist	30,943	31,346	1,275	1,342	604	67	134	1,410
30	Total G&A New Positions 2020	149,352	151,296	6,156	6,479	2,916	324	648	6,803
31									
32	Total Adjustment to Salaries and Wages 601	403,322	374,662	15,362	16,050	112,257	15,338	25,003	13,480

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule C-2.7

Income Statement Adjustment 7

Employee Bonus and Options

LINE

NO.

1	Salaries and Wages Expense Adjustment to Remove 50% of Bonus Expense	
2	and Options Expense for CEO and CFO	
3	701 Salaries and Wages	3,175,878
4		
5	Bonus Expense Excluded	(60,270)
6		
7	Deferred Comp excluded	(176,466)
8		
9	Employee Options Expense	(161,520)
10	Total Adjustment	(398,256)
11		
12	Adjusted 701 Salaries and Wages	2,777,622

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Income Statement Adjustment 8
 Impact of FATHOM Contract Cancellation

Schedule C-2.8

Line

Number

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	Palo Verde	Red Rock Sewer	Santa Cruz	Red Rock Water	Turner Ranches	North Scottsdale	Greater Tonopah	Eagletail
2019 actual move out of Contract Services -Management Fees	(856,672)	(26,085)	(726,438)	(31,928)	-	(6,397)	(25,957)	(4,105)
Moves into								
2020 Budgeted O&M Expenses (636 and 736)	452,546	18,652	458,436	19,633	20,615	1,963	8,835	982
2020 Budgeted G&A Expenses - Bank Fees (675 and 775)	19,362	798	19,614	840	882	84	378	42
2020 Budgeted G&A Expenses - IT Expenses (620.2 and 721)	19,362	797	19,580	839	880	84	377	42
2020 Budgeted O&M personnel Expenses	173,824	7,164	176,086	7,541	7,918	754	3,394	377
2020 Budgeted G&A personnel Expenses	192,336	7,927	194,840	8,344	8,762	834	3,755	417
Adjustment to Salaries and Wages	366,160	15,091	370,925	15,885	16,680	1,589	7,148	794

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule C-2.9

Income Statement Adjustment 9

Adjustment to Remove Half Year Convention for deprecation of plant added during test year

Line Number	Account No.	Description	Palo Verde RRS
	351	Organization	-
1	352	Franchises	-
2	353	Land and Land Rights	-
3	354	Structures and Improvements	127,777
4	355	Power Generation Equipment	-
5	360	Collections Wastewater - Force	88
6	361	Collections Wastewater - Gravity	12,708
7	362	Special Collecting Structures	1,425
8	363	Services to Customers	5,241
9	364	Flow Measuring Devices	244
10	365	Flow Measuring Installations	-
11	366	Reuse Services	-
12	367	Reuse Meters & Meter Installations	-
13	370	Receiving Wells	-
14	371	Pumping Equipment	39,133
15	374	Reuse Distribution Reservoirs	244
16	375	Reuse Trans. And Distr. Equipment	454
17	380	Treatment and Disposal Equipment	27,395
18	381	Plant Sewers	1,150
19	382	Outfall Sewer Lines	-
20	389	Other Plant and Misc. Equipment	930
21	390	Office Furniture and Equipment	1,486
22	390.1	Computer & Software	7,883
23	391	Transportation Equipment	20,263
24	392	Stores Equipment	-
25	393	Tools, Shop and Garage Equipment	81
26	394	Laboratory Equipment	236
27	395	Power Operated Equipment	49
28	396	Communication Equipment	-
29	397	Miscellaneous Equipment	788
30	398	Other Tangible Plant	3,940
31		Subtotal	251,514
32			
33		Less: Amortization of CIAC	(18,367)
34			
35		DEPRECIATION EXPENSE	233,147
36			

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Income Statement Adjustments 10
Remove Customer Assistance Program (CAP) Expense

Schedule C-2-10

Line
Number

1		
2		
3	767 Regulatory Commission Expense - Other	34,683
4	<u>Allocated CAP Expense</u>	<u>24,862</u>
5	Adjusted 667 Regulatory Commission Expense - Other	9,821
6		
7		
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17		

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule C-2.12

Test Year Ended December 31, 2019

Income Statement Adjustment 12

Groves Plant Depreciation Expense Reversal

LINE NO.

1	Account 354 Book	36,308,015
2	Less Groves Transfer to CWIP	(140,824)
3	Less Groves Plant Write Off (Account 354)	(547,207)
4	Account 354 Book Adjusted	35,619,983
5		
6	Reversal of Depreciation Expense	11,467

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule C-2.13

Income Statement Adjustment 13 Depreciation Restatement

Line

No.

1 Adjustment to depreciation expense to account for
 2 assignment of correct service lives.
 3

	NARUC	2019 Depr	Retained	Total Accum
	Account	Adjustment	Earnings Adjustment	Depr Adjust
4	354	(575)	80,736	80,161
5	355	(0)	4,758	4,758
6	360	0	(69,656)	(69,656)
7	361	(0)	(120,659)	(120,659)
8	362	11	(192)	(181)
9	363	0	(8,622)	(8,622)
10	364	66	299	365
11	370	(0)	(1,555)	(1,555)
12	371	824	5,370	6,194
13	374	(6,154)	(70,774)	(76,929)
14	375	(20,189)	(86,891)	(107,079)
15	380	3,162	24,818	27,980
16	381	0	(9,730)	(9,730)
17	382	(0)	887	887
18	389	293	7,200	7,493
19	390.1	(467)	(621)	(1,088)
20	393	(186)	(1,554)	(1,740)
21	394	11	82	93
22	395	(45)	26	(19)
23	396	1,399	(2,780)	(1,382)
24	398	6,340	(22,190)	(15,850)
25	TOTAL	(15,509)	(271,049)	(286,558)
26				
27				
28	Depreciation Expense Book			4,459,099
29				
30	Adjustment 2.13			(15,509)
31				
32	Depreciation Expense Adjusted			4,443,590
33				

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consoli Schedule C-3
 Test Year Ended December 31, 2019 Page 1 of 2
 Adjusted Test Year Income Statement

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	24.8710%
2	Uncollectible Revenue Effective Rate	0.2316%
3	Property Taxes Effective Rate	1.8395%
4	Total Tax Percentage	26.9421%
5		
6	Operating Income % = 100% - Tax Percentage	73.0579%
7		
8		
9		
10		
11	<u>1</u> = Gross Revenue Conversion Factor	
12	Operating Income %	1.368777
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
24	C-3, page 2	A-1
25		

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Summary Cost of Capital

Schedule D-1

Page 1 of 2

Line No.	Description	End of Test Year - Actual			
		Dollar Amount	Percent of Total	Rate of Return	Weighted Return
1					
2	Short-Term Debt	\$ -	0.00%	0.00%	0.00%
3					
4	Long-Term Debt	-	0.00%	0.00%	0.00%
5					
6	Common Equity	83,329,384	100.00%	5.59%	5.59%
7					
8	Totals	<u>\$ 83,329,384</u>	<u>100.00%</u>		<u>5.59%</u>

Line No.	Description	End of Test Year - Proposed				End of Projected Year - Proposed Rates			
		Dollar Amount	Percent of Total	Rate of Return	Weighted Cost	Dollar Amount	Percent of Total	Rate of Return	Weighted Cost
11									
12									
13									
14									
15	Short-Term Debt	\$ -	0.00%	0.00%	0.00%	\$ -	0.00%	0.00%	0.00%
16									
17	Long-Term Debt	45,934,380	35.54%	4.80%	1.71%	45,934,380	35.54%	4.80%	1.71%
18									
19	Common Equity	83,329,384	64.46%	10.44%	6.73%	83,329,384	64.46%	10.44%	6.73%
20									
21	Totals	<u>\$ 129,263,764</u>	<u>100.00%</u>		<u>8.44%</u>	<u>\$ 129,263,764</u>	<u>100.00%</u>		<u>8.44%</u>

22

23 Supporting Schedules

24 D-2, D-3, D-4, E-1

Recap Schedules

A-3

25

26

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

GWRS Long Term Debt Allocation to Utilities

Schedule D-1

Page 2 of 2

Line

No.

1	
2	Total Global Water Resources, Inc. Long Term Debt
3	115,000,000
4	
5	Allocation to Palo Verde and Santa Cruz
6	

			Less Southwest Plant Debt	Adjusted Debt
7	Palo Verde	58,506,779	14,882,256	43,624,523
8	Santa Cruz	47,850,221	17,939,817	29,910,404
9		106,357,000		

10

11	Amount Allocated to other utilities	8,643,000
----	--	-----------

12

Allocation based on 2019 Customer Counts

	Company	Customer Count	Allocation%	
15	North Scottsdale	92	2.8%	240,665
16	Tonopah	413	12.5%	1,080,375
17	Eagletail	57	1.7%	149,107
18	Turner Ranches	963	29.1%	2,519,131
19	Red Rock Sewer	883	26.7%	2,309,857
20	Red Rock Water	896	27.1%	2,343,864
21	Total	3,304	100.0%	8,643,000

22

23

24

25

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Cost of Debt

Schedule D-2
Page 1 of 2

Line No.		End of Test Year - Actual			
1		Amount	Interest		
2		Outstanding	Rate		
3					
4	Long-Term Debt	-	N/A		
5					
6	Short-Term Debt	-	N/A		
7					
8					
9					
10					
11		End of Test Year - Proposed		End of Projected Year - Proposed Rates	
12		Amount	Interest	Amount	Interest
13		Outstanding (*)	Rate	Outstanding	Rate
14	Long-Term Debt	45,934,380	4.80%	45,934,380	4.80%
15					
16	Short-Term Debt	-	N/A	-	N/A
17					
18					
19					
20					
21					
22					
23					
24					

[illegible]

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule D-3

Cost of Preferred Stock

Line

No.

1 Schedule D-3 is not applicable as there is no preferred stock issued or
2 outstanding in any of the utilities involved in this rate case.

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Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule E-1

Test Year Ended December 31, 2019

Comparative Balance Sheets

Line No.		Test Year Ended 12/31/2019
1	<u>Assets</u>	
2		
3	Account No. Current and Accrued Assets	
4	131 Cash	-
5	132 Special Deposits	-
6	133 Other Special Deposits	941,329
7	134 Working Funds	-
8	135 Temporary Cash Investments	-
9	141 Customer Accounts Receivable	926,116
10	142 Other Accounts Receivable	1,301
11	143 Accumulated Provision for Uncollectable Accounts	(41,451)
12	146 Notes Receivable from Associated Companies	526,980
13	151 Plant Material and Supplies	-
14	162 Prepayments	13,965
15	173 Accrued Utility Revenue	1,210,247
16	174 Miscellaneous Current and Accrued Assets	-
17	Total Current Assets	3,578,487
18		
19	Fixed Assets	
20	101 Utility Plant in Service*	156,011,557
21	103 Property Held for Future Use	-
22	105 Construction Work in Progress	16,582,676
23	108 Accumulated Depreciation	(46,376,502)
24	121 Non-Utility Property	-
25	122 Accumulated Depreciation - Non Utility	-
26	Total Fixed Assets	126,217,731
27		
28	Other Fixed Assets	
29	114 Utility Plant Acquisition Adjustment	916,207
30	Total Other Fixed Assets	916,207
31		
32	Deferred Debits	
33	190 Accumulated Deferred Income Taxes	134,252
34	Total Deferred Debits	134,252
35		
36	Total Assets	\$ 130,712,426
37		
38	<u>Liabilities and Stockholders' Equity</u>	
39		
40	231 Accounts Payable	292,000
41	232 Notes Payable (Current Portion)	-
42	234 Notes Payable to Associated Companies	-
43	235 Customer Deposits	677,530
44	236 Accrued Taxes	620,746
45	237 Accrued Interest	120,998
46	241 Miscellaneous Current and Accrued Liabilities	955,039
47	253 Other Deferred Credits	-
48	Total Current Liabilities	2,666,312
49		
50	252 Advances in Aid of Construction	29,653,990
51	253 Other Deferred Credits	933,084
52	255 Accumulated Deferred Investment Tax Credits	-
53	271 Contributions in Aid of Construction	8,197,080
54	272 Less: Amortization of Contributions	(502,886)
55	281 Accumulated Deferred Income Tax	6,569,714
56	Total Deferred Credits	44,850,982
57		
58	Total Liabilities and Deferred Credits	\$ 47,517,294
59		
60	201 Common Stock Issued	20
61	211 Other Paid-In Capital	58,108,681
62	215 Retained Earnings	25,220,683
63		
64	Total Members' Equity	\$ 83,329,384
65		
66	Total Liabilities and Stockholders' Equity	\$ 130,846,678
67		
68	Supporting Schedules	Recap Schedule

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule E-2

Comparative Income Statements

Line No.	Test Year Ended 12/31/2019
Operating Revenue	
521 Flat Rate Revenues	17,968,549
522 Measured Revenues	921,804
534 Rents from Wastewater Property	63,911
536 Other Wastewater Revenues	373,423
Total Revenues	19,327,687
Operating Expenses	
701 Salaries and Wages	3,175,878
704 Employee Pensions and Benefits	431,921
710 Purchased Wastewater Treatment	-
711 Sludge Removal Expense	24,876
715 Purchased Power	725,867
716 Fuel for Power Production	-
718 Chemicals	244,940
720 Materials and Supplies	55,618
720.1 Repairs and Maintenance	169,575
720.2 Office Supplies and Expense	-
721 Office Expense	130,368
731 Contractual Services -Engineering	-
732 Contractual Services - Accounting	347,231
733 Contractual Services - Legal	249,955
734 Contractual Services - Management Fees	882,758
735 Contractual Services - Testing	48,421
736 Contractual Services - Other	281,990
740 Rents - Building	85,165
Intentionally Left Blank	
742 Rents - Equipment	29,939
750 Transportation Expenses	108,937
756 Insurance - Vehicle	-
757 Insurance - General Liability	208,213
758 Insurance - Worker's Compensation	44,541
759 Insurance - Other	-
760 Advertising Expense	13,988
766 Regulatory Commission Expense - Rate Case	-
767 Regulatory Commission Expense - Other	34,683
770 Bad Debt Expense	59,581
775 Miscellaneous Expense	1,323,352
403 Depreciation Expense	4,459,099
408 Taxes Other Than Income	98,833
408.11 Property Taxes	1,219,728
408.12 Payroll Taxes	186,060
408.13 Other Taxes and Licenses	2,714
409 Income Taxes	2,397,589
Total Operating Expenses	17,041,820
Operating Income / (Loss)	2,285,868
Other Income / (Expense)	
414 Gain/Loss on Dispositions	(736)
419 Interest and Dividend Income	2,755
421 Non-Utility Income	(7,155)
426 Miscellaneous Non-Utility (Expense)	(898)
427 Interest (Expense)	(59,330)
Total Other Income / (Expense)	(65,364)
Net Income / (Loss)	2,220,503

Supporting Schedule

Recap Schedule

E-6

A-2

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Comparative Statement of Changes in Financial Position

Schedule E-3

Line No.	Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1			
2	Operating Activities		
3	Net income (loss) \$ 2,220,503	NA	NA
4	Adjustment to reconcile net income (loss)		
5	Deferred compensation -	NA	NA
6	Depreciation 4,459,098	NA	NA
7	Amortization -	NA	NA
8	Amortization of deferred debt issuance costs and discou -	NA	NA
9	Write-off of debt issuance costs -	NA	NA
10	Gain on sale of 303 contracts -	NA	NA
11	(Gain) Loss on Equity Investment -	NA	NA
12	Other gains and losses -	NA	NA
13	(Gain) Loss on disposal of fixed assets 736	NA	NA
14	Loss on Sale of Willow Valley -	NA	NA
15	Provision for doubtful accounts receivable 55,316	NA	NA
16	Deferred income tax (benefit) expense 2,343,495	NA	NA
17	Accounts receivables (153,520)	NA	NA
18	Other Receivables 108,559	NA	NA
19	Accrued revenue (46,900)	NA	NA
20	Infrastructure coordination and financing fee receivable -	NA	NA
21	Income taxes receivable -	NA	NA
22	Other current assets 37,965	NA	NA
23	Accounts payable and other current liabilities 391,051	NA	NA
24	Other noncurrent assets (4,499,316)	NA	NA
25	Other noncurrent liabilities -	NA	NA
26	Deferred revenue and prepaid ICFA fees -	NA	NA
27	Net cash (used) provided by operating activities 4,916,987	NA	NA
28			
29	Investing Activities		
30	Capital expenditures (4,491,001)	NA	NA
31	Proceeds from the sale of Willow Valley -	NA	NA
32	Proceeds from sale of fixed and intangible assets -	NA	NA
33	(Deposits) withdrawals of restricted cash (381,259)	NA	NA
34	Deposits -	NA	NA
35	Advance in aid of construction release -	NA	NA
36	Net cash used in investing activities (4,872,260)	NA	NA
37			
38	Financing Activities		
39	Proceeds from bond -	NA	NA
40	Deposits in bond service fund -	NA	NA
41	Proceeds withdrawn from bond service fund -	NA	NA
42	Repayments of bond debt -	NA	NA
43	(Deposit into)/ redemption from escrow for debt servic -	NA	NA
44	Loan borrowings -	NA	NA
45	Loan repayments -	NA	NA
46	Principal payments under capital lease -	NA	NA
47	Payment of Sonoran acquisition liability -	NA	NA
48	Acquisition of utilities, deferred acquisition payments -	NA	NA
49	Financing costs paid -	NA	NA
50	Debt issuance costs paid -	NA	NA
51	Advances in aid of construction 265,876	NA	NA
52	Dividends Paid -	NA	NA
53	Proceeds from sale of stock -	NA	NA
54	Contributions in aid of construction under ICFA agreem -	NA	NA
55	Payments of offering costs for sale of stock -	NA	NA
56	Refunds of advances for construction (310,580)	NA	NA
57	Net cash (used) provided by financing activities (44,704)	NA	NA
58	Net change in cash		

Recap Schedule
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Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule E-4

Test Year Ended December 31, 2019

Statement of Changes in Stockholders' Equity

Line No.		Common Stock		Additional Paid-In-Capital	Retained Earnings	Total
		Shares	Amount			
1						
2	Balance - December 31, 2016	-	\$ -	NA	NA	NA
3						
4	Net Income					
5						
6	Dividends Paid				-	-
7						
8	Other/Reclass				-	-
9						
10	Balance - December 31, 2017	-	\$ -	NA	NA	NA
11						
12	Net Income					
13						
14	Dividends Paid				-	-
15						
16	Other/Reclass					
17						
18	Balance - December 31, 2018	-	\$ -	NA	NA	NA
19						
20	Net Income					-
21						
22	Dividends Paid				-	-
23						
24	Other/Reclass				-	-
25						
26	Balance - December 31, 2019	1,000	\$ 10	\$ 58,108,681	\$ 25,220,683	\$ 83,329,374
27	check		20	58,108,681	25,220,683	83,329,384
28						
29						

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule E-5

Test Year Ended December 31, 2019

Detail Plant in Service

Line No.		End of Prior Year 12/31/2018	Net Additions	End of Test Year 12/31/2019
1	Utility Plant in Service			
2	351 Organization	\$ 11,982,22	\$ -	\$ 11,982,22
3	352 Franchises	59,751	-	59,751
4	353 Land and Land Rights	205,929	75,162	281,091
5	354 Structures and Improvements	31,724,994	7,666,613	39,391,607
6	355 Power Generation Equipment	1,362,303	-	1,362,303
7	360 Collections Wastewater - Force	5,162,589	8,788	5,171,377
8	361 Collections Wastewater - Gravity	56,499,661	1,264,542	57,764,202
9	362 Special Collecting Structures	552,632	142,500	695,132
10	363 Services to Customers	5,440,953	524,072	5,965,025
11	364 Flow Measuring Devices	58,628	801	59,429
12	365 Flow Measuring Installations	-	-	-
13	366 Reuse Services	32,602	12,770	45,372
14	367 Reuse Meters & Meter Installations	-	-	-
15	370 Receiving Wells	1,183,361	-	1,183,361
16	371 Pumping Equipment	5,386,805	360,140	5,746,945
17	374 Reuse Distribution Reservoirs	1,643,919	13,452	1,657,371
18	375 Reuse Trans. And Distr. Equipment	15,229,942	(55,064)	15,174,878
19	380 Treatment and Disposal Equipment	14,455,580	1,007,203	15,462,782
20	381 Plant Sewers	743,694	46,009	789,702
21	382 Outfall Sewer Lines	353,645	-	353,645
22	389 Other Plant and Misc. Equipment	2,424,936	20,100	2,445,036
23	390 Office Furniture and Equipment	44,869	71,003	115,872
24	390.1 Computer & Software	28,683	341,334	370,017
25	391 Transportation Equipment	372,126	209,041	581,168
26	392 Stores Equipment	-	-	-
27	393 Tools, Shop and Garage Equipment	192,474	3,248	195,721
28	394 Laboratory Equipment	18,915	4,727	23,642
29	395 Power Operated Equipment	187,809	(1,626)	186,183
30	396 Communication Equipment	78,122	2,387	80,508
31	397 Miscellaneous Equipment	582,120	15,765	597,885
32	398 Other Tangible Plant	163,414	76,157	239,571
33				
34				
35				
36	Total Utility Plant in Service	\$ 144,202,434	\$ 11,809,123	\$ 156,011,557
37				
38	107 Construction Work in Progress	\$ 15,988,335	594,341	\$ 16,582,676
39				
40	Total Plant	\$ 160,190,769	12,403,464	\$ 172,594,233
41				
42	Total Accum. Depreciation	\$ (41,399,878)	(4,976,624)	\$ (46,376,502)
43				
44	Total Net Plant	\$ 118,790,891	\$ 7,426,840	\$ 126,217,731

Recap Schedules
E-1 and A-4

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule E-6

Test Year Ended December 31, 2019

Comparative Departmental Statements of Operating Income

Line No.		Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1	Operating Revenues			
2	Residential	\$ 17,559,143	NA	NA
3	Commercial	899,039	NA	NA
4	Recycled	961,692	NA	NA
5				
6	Total Water Sales	\$ 19,419,874	NA	NA
7				
8	Adjustments	\$ (529,521)		
9				
10	Miscellaneous	437,334	NA	NA
11				
12	Total Operating Revenues	\$ 19,327,687	NA	NA
13				
14	OPERATING EXPENSES:			
15	Operating Expenses (less tax and depreciation)	\$ 8,962,689	NA	NA
16				
17	Depreciation	\$ 4,459,099	NA	NA
18				
19	TAXES			
20	Income Taxes	\$ 2,397,589	NA	NA
21	Property taxes	1,219,728	NA	NA
22	Other Taxes and Licenses	2,714	NA	NA
23				
24				
25	TOTAL TAXES	\$ 3,620,031	NA	NA
26				
27	Total Operating Expenses	\$ 17,041,820	NA	NA
28				
29	Operating Income/(Loss)	\$ 2,285,868	NA	NA
30				Recap Schedule
31				E-2

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule E-7

Test Year Ended December 31, 2019

Operating Statistics

Line No.	Wastewater Statistics	Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1				
2	Total Gallons Treated (in thousands)	1,124,611	NA	NA
3				
4	Wastewater Revenues from Customers	1,124,611	NA	NA
5				
6	Year End Number of Customers	1,124,611	NA	NA
7				
8	Annual Gallons (in Thousands)			
9	Treated Per Year End Customer	1.00	NA	NA
10				
11	Annual Revenue Per Year End Customer	\$ 1	NA	NA
12				
13	Pumping Costs per Year End Customer	\$ 31.28	NA	NA
14				
15	Pumping Cos per 1,000 Gallons	\$ 0.61	NA	NA
16				
17	Treatment Costs per 1,000 Gallons	\$ 0.22	NA	NA
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule E-8

Taxes Charged to Operations

Line No.		Test Year Ended 12/31/2019	Prior Year Ended 12/31/2018	Prior Year Ended 12/31/2017
1				
2	Federal Taxes			
3	Income	\$ 2,329,744	\$ 2,199,030	\$ 1,348,643
4	FICA (Employer's) *	\$ 183,691	\$ 161,452	\$ 147,451
5	Unemployment *	\$ 1,628	\$ 1,295	\$ 1,220
6	Total Federal Taxes	\$ 2,515,063	\$ 2,361,777	\$ 1,497,314
7				
8				
9	State Taxes			
10	Income			
11	Property	\$ 609,224	\$ 550,681	\$ 546,064
12	Other	\$ 91,305	\$ 103,719	\$ 104,258
13	Unemployment *	\$ 742	\$ 5,852	\$ 8,517
14	Total State Taxes	\$ 769,116	\$ 660,276	\$ 658,839
15				
16				
17	Total Taxes to Operations	<u>\$ 3,284,178</u>	<u>\$ 3,022,053</u>	<u>\$ 2,156,153</u>

* FICA and Unemployment are included with Salaries and Wages on C-1, E-2 and E-6.

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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Line
No.

Following are the significant accounting policies for Global Water. Please note that some of these accounting policies may only be applicable to the parent company, GWRI.

Basis of Presentation and Principles of Consolidation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company prepares its financial statements in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The Company qualifies as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), under the rules and regulations of the SEC. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. The Company has elected to take advantage of these provisions for up to five years or such earlier time that the Company is no longer an emerging growth company. The Company has elected to take advantage of some of the reduced disclosure obligations regarding financial statements. Also, as an emerging growth company, the Company can elect to delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has chosen to take advantage of this extended accounting transition provision.

Significant Accounting Policies*Regulation*

Our regulated utilities and certain other balances are subject to regulation by the ACC and are therefore subject to Accounting Standards Codification Topic 980, *Regulated Operations* ("ASC 980").

Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation provided on a straight-line.

Depreciation rates for asset classes of utility property, plant, and equipment are established by the ACC. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant, and equipment. When units of utility property are replaced, renewed, or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

For non-utility property, plant, and equipment, depreciation is calculated by the straight-line method over the estimated useful lives of depreciable assets. Cost and accumulated depreciation for non-utility property, plant, and equipment retired or disposed of are removed from the accounts and any resulting gain or loss is included in earnings.

In addition to third party costs, direct personnel costs and indirect construction overhead costs may be capitalized. Interest incurred during the construction period is also capitalized as a component of the cost of the constructed assets, which represents the cost of debt associated with construction activity. Expenditures for maintenance and repairs are charged to expense.

Revenue Recognition—Water Services

Water services revenues are recorded when service is rendered, or water is delivered to customers. However, in addition to the monthly basic service charge, the determination and billing of water sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each reporting period, amounts of water delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is recorded.

Water connection fees are the fees associated with the application process to set up a customer to receive utility service on an existing water meter. These fees are approved by the ACC through the regulatory process and are set based on the costs incurred to establish services including the application process, billing setup, initial meter reading, and

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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Line
No.

1 service transfer. Because the amounts charged for water connection fees are set by our regulator and not
2 negotiated in conjunction with the pricing of ongoing water service, the connection fees represent the
3 culmination of a separate earnings process and are recognized when the service is provided.
4 Meter installation fees are the fees charged to developers or builders associated with installing new water
5 meters. Certain fees for meters are regulated by the ACC and are refundable to the end customer over a period
6 of time. Refundable meter installation fees are recorded as a liability upon receipt. These fees are recognized
7 as revenue when the service is rendered, or when a water meter is installed.
8 *Revenue Recognition—Wastewater and Recycled Water Services*
9 Wastewater service revenues are generally recognized when service is rendered. Wastewater services are
10 billed at a fixed monthly amount per connection, and recycled water services are billed monthly based on
11 volumetric fees.
12 *Revenue Recognition—Unregulated Revenues*
13 Unregulated Revenues represent those revenues that are not subject to the ratemaking process of the
14 ACC. Unregulated revenues are limited to rental revenue and imputed revenues resulting from certain
15 infrastructure coordination and financing agreement arrangements ("ICFAs").
16 *Allowance for Doubtful Accounts*
17 Provisions are made for doubtful accounts due to the inherent uncertainty around the collectability of accounts
18 receivable. The allowance for doubtful accounts is recorded as bad debt expense, and is classified as general
19 and administrative expense. The allowance for doubtful accounts is determined considering the age of the
20 receivable balance, type of customer (e.g., residential or commercial), payment history, as well as specific
21 identification of any known or expected collectability issues.
22 *Cash and Cash Equivalents*
23 Cash and cash equivalents include all highly liquid investments in debt instruments with an original maturity of
24 three months or less.
25 *Restricted Cash*
26 Restricted cash represents cash deposited relating to HUF tariffs, asset retirement obligations and pending
27 legal matters. *Income Taxes*
28 The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and
29 liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable
30 to differences between the financial statement carrying amounts of existing assets and liabilities and their
31 respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply
32 to taxable income in the years in which those temporary differences are expected to be recovered or settled.
33 Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely
34 than not that some portion or all of the deferred tax assets will not be realized.
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Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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Line
No.

We evaluate uncertain tax positions using a two-step approach. Recognition (step one) occurs when we conclude that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when we subsequently determine that a tax position no longer meets the more-likely-than-not threshold of being sustained. The use of a valuation allowance as a substitute for derecognition of tax positions is prohibited, and to the extent that uncertain tax positions exist, we provide expanded disclosures.

Goodwill

Goodwill represents the excess purchase price over the fair value of net tangible and identifiable intangible assets acquired through acquisitions. Goodwill is not amortized, it is instead tested for impairment annually, or more often, if circumstances indicate a possible impairment may exist. As required, we evaluate goodwill for impairment annually, and do so as of November 1 of each year, and at an interim date if indications of impairment exist. When testing goodwill for impairment, we may assess qualitative factors, including macroeconomic conditions, industry and market considerations, overall financial performance, and entity specific events to determine whether it is more likely than not that the fair value of an operating and reportable segment is less than its carrying amount. We utilize internally developed discounted future cash flow models, third-party appraisals, or broker valuations to determine the fair value of the reporting unit. Under the discounted cash flow approach, we utilize various assumptions requiring judgment, including projected future cash flows, discount rates, and capitalization rates. Our estimated future cash flows are based on historical data, internal estimates, and external sources. We then compare the estimated fair value to the carrying value. If the carrying value is in excess of the fair value, an impairment charge is recorded to asset impairments within our consolidated statement of operations in the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of goodwill.

Intangible Assets

Intangible assets not subject to amortization consist of certain permits expected to be renewable indefinitely, water rights and certain service areas acquired in transactions which did not meet the definition of business combinations for accounting purposes, and are considered to have indefinite lives. Intangible assets with indefinite lives are not amortized but are tested for impairment annually, or more often if certain circumstances indicate a possible impairment may exist. Amortized intangible assets consist primarily of acquired ICFA contract rights.

Debt Issuance Costs

In connection with the issuance of some of our long-term debt, we have incurred legal and other costs that we believe are directly attributable to realizing the proceeds of the debt issued. These costs are netted against long-term debt and amortized as interest expense using the effective interest method over the term of the respective debt.

Impairment of Long-Lived Assets

Management evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indicator of possible impairment exists, an undiscounted cash flow analysis would be prepared to determine whether there is an actual impairment. Measurement of the impairment loss is based on the fair value of the asset. Generally, fair value will be determined using appraisals or valuation techniques such as the present value of expected future cash flows.

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Notes to Financial Statements

Schedule E-9

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Line
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57
58*Advances and Contributions in Aid of Construction*

The Company has various agreements with developers and builders, whereby funds, water line extensions, or wastewater line extensions are provided to us by the developers and are considered refundable advances for construction. These AIAC are non-interest-bearing and are subject to refund to the developers through annual payments that are computed as a percentage of the total annual gross revenue earned from customers connected to utility services constructed under the agreement over a specified period. Upon the expiration of the agreements' refunding period, the remaining balance of the advance becomes nonrefundable and at that time is considered CIAC. CIAC are amortized as a reduction of depreciation expense over the estimated remaining life of the related utility plant. For rate-making purposes, utility plant funded by AIAC or CIAC are generally excluded from rate base.

Fair Value of Financial Instruments

The carrying values of cash equivalents, trade receivables, and accounts payable approximate fair value due to the short-term maturities of these instruments. Portions of these non-interest-bearing instruments are payable annually through 2032 and amounts not paid by the contract expiration dates become nonrefundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables, including new customer connections, customer consumption levels, and future rate increases. However, the fair value of these amounts would be less than their carrying value due to the non-interest-bearing feature.

Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. In consideration of ASC 280—*Segment Reporting* the Company notes it is not organized around specific products and services, geographic regions, or regulatory environments. The Company currently operates in one geographic region within the State of Arizona, wherein each operating utility operates within the same regulatory environment. While the Company reports its revenue, disaggregated by service type, on the face of its Statements of Operations, the Company does not manage the business based on any performance measure at the individual revenue stream level. The Company does not have any customers that contribute more than 10% to the Company's revenues or revenue streams. Additionally, we note that the CODM uses consolidated financial information to evaluate the Company's performance, which is the same basis on which he communicates the Company's results and performance to the Board of Directors. It is upon this consolidated basis from which he bases all significant decisions regarding the allocation of the Company's resources on a consolidated level. Based on the information described above and in accordance with the applicable literature, management has concluded that the Company is currently organized and operated as one operating and reportable segment.

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Projected Income Statements - Present and Proposed

Schedule F-1

Line No.		Test Year Actual 12/31/2019	Present Rates Year Ended 12/31/2020	Adjustments	Proposed Rates Year Ended 12/31/2020
1	Operating Revenues	\$ 19,327,687	\$ 20,322,951	\$ 1,962,429	\$ 22,285,380
2					
3	701 Salaries and Wages	3,175,878	3,577,556	-	3,577,556
4	704 Employee Pensions and Benefits	431,921	431,921	-	431,921
5	710 Purchased Wastewater Treatment	-	-	-	-
6	711 Sludge Removal Expense	24,876	24,876	-	24,876
7	715 Purchased Power	725,867	744,051	-	744,051
8	716 Fuel for Power Production	-	-	-	-
9	718 Chemicals	244,940	251,449	-	251,449
10	720 Materials and Supplies	55,618	55,618	-	55,618
11	720 Repairs and Maintenance	169,575	169,575	-	169,575
12	720 Office Supplies and Expense	-	-	-	-
13	721 Office Expense	130,368	150,526	-	150,526
14	731 Contractual Services -Engineering	-	-	-	-
15	732 Contractual Services -Accounting	347,231	347,231	-	347,231
16	733 Contractual Services - Legal	249,955	249,955	-	249,955
17	734 Contractual Services - Management Fees	882,758	-	-	-
18	735 Contractual Services - Testing	48,421	48,421	-	48,421
19	736 Contractual Services - Other	281,990	753,188	-	753,188
20	740 Rents - Building	85,165	85,165	-	85,165
21	0 Intentionally Left Blank	-	-	-	-
22	742 Rents - Equipment	29,939	29,939	-	29,939
23	750 Transportation Expenses	108,937	108,937	-	108,937
24	756 Insurance - Vehicle	-	-	-	-
25	757 Insurance - General Liability	208,213	208,213	-	208,213
26	758 Insurance - Worker's Compensation	44,541	44,541	-	44,541
27	759 Insurance - Other	-	-	-	-
28	760 Advertising Expense	13,988	13,988	-	13,988
29	766 Regulatory Commission Expense - Rate Case	-	-	-	-
30	767 Regulatory Commission Expense - Other	34,683	9,821	-	9,821
31	770 Bad Debt Expense	59,581	62,649	6,050	68,699
32	775 Miscellaneous Expense	1,323,352	1,343,512	-	1,343,512
33	403 Depreciation Expense	4,459,099	4,730,565	-	4,730,565
34	408 Taxes Other Than Income	98,833	98,833	-	98,833
35	408 Property Taxes	1,219,728	1,541,176	48,049	1,589,225
36	408 Payroll Taxes	186,060	186,060	-	186,060
37	408 Other Taxes and Licenses	2,714	2,714	-	2,714
38	409 Income Taxes	2,397,589	393,868	474,621	868,489
39	Total Operating Expenses	17,041,820	15,664,347		16,193,067
40					
41	Operating Income / (Loss)	2,285,868	4,658,604		6,092,313
42					
43	OTHER INCOME / (EXPENSE)				
44	414 Gain/Loss on Dispositions	-735.97	(736)	-	(736)
45	419 Interest and Dividend Income	2,755	2,755	-	2,755
46	421 Non-Utility Income	(7,155)	(7,155)	-	(7,155)
47	426 Miscellaneous Non-Utility (Expense)	(898)	(898)	-	(898)
48	427 Interest (Expense)	(59,330)	(59,330)	-	(59,330)
49	Total Other Income / (Expense)	(65,364)	(65,364)	-	(65,364)
50					
51	NET INCOME / (LOSS)	\$ 2,220,503	\$ 4,593,240	\$ -	\$ 6,026,949
52					

Supporting Schedule
E-2

Recap Schedule
A-2

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule F-2

Test Year Ended December 31, 2019

Projected Statements of Changes in Financial Position

Present and Proposed Rates

Line No.		Test Year 12/31/2019	Projected Year	
			Present Rates 12/31/2020	Proposed Rates 12/31/2020
1	Operating Activities			
2	Net income (loss)	\$ 2,220,503	\$ 4,593,240	\$ 6,026,949
3	Adjustment to reconcile net income (loss)			
4	Deferred compensation	-	-	-
5	Depreciation	4,459,098	4,730,565	4,730,565
6	Amortization	-	-	-
7	Amortization of deferred debt issuance costs and discounts	-	-	-
8	Write-off of debt issuance costs	-	-	-
9	Gain on sale of 303 contracts	-	-	-
10	(Gain) Loss on Equity Investment	-	-	-
11	Other gains and losses	-	-	-
12	(Gain) Loss on disposal of fixed assets	736	736	736
13	Loss on Sale of Willow Valley	-	-	-
14	Provision for doubtful accounts receivable	55,316	55,316	55,316
15	Deferred income tax (benefit) expense	2,343,495	2,343,495	2,343,495
16	Accounts receivables	(153,520)	(153,520)	(153,520)
17	Other Receivables	108,559	108,559	108,559
18	Accrued revenue	(46,900)	(46,900)	(46,900)
19	Infrastructure coordination and financing fee receivable	-	-	-
20	Income taxes receivable	-	-	-
21	Other current assets	37,965	37,965	37,965
22	Accounts payable and other current liabilities	391,051	391,051	391,051
23	Other noncurrent assets	(4,499,316)	(4,499,316)	(4,499,316)
24	Other noncurrent liabilities	-	-	-
25	Deferred revenue and prepaid ICFA fees	-	-	-
26	Net cash (used) provided by operating activities	4,916,987	7,561,191	8,994,900
27				
28	Investing Activities			
29	Capital expenditures	(4,491,001)	(1,809,879)	(1,809,879)
30	Proceeds from the sale of Willow Valley	-	-	-
31	Proceeds from sale of fixed and intangible assets	-	-	-
32	(Deposits) withdrawals of restricted cash	(381,259)	(381,259)	(381,259)
33	Deposits	-	-	-
34	Advance in aid of construction release	-	-	-
35	Net cash used in investing activities	(4,872,260)	(2,191,138)	(2,191,138)
36				
37	Financing Activities			
38	Proceeds from bond	-	-	-
39	Deposits in bond service fund	-	-	-
40	Proceeds withdrawn from bond service fund	-	-	-
41	Repayments of bond debt	-	-	-
42	(Deposit into)/ redemption from escrow for debt service	-	-	-
43	Loan borrowings	-	-	-
44	Loan repayments	-	-	-
45	Principal payments under capital lease	-	-	-
46	Payment of Sonoran acquisition liability	-	-	-
47	Acquisition of utilities, deferred acquisition payments	-	-	-
48	Financing costs paid	-	-	-
49	Debt issuance costs paid	-	-	-
50	Advances in aid of construction	265,876	265,876	265,876
51	Dividends Paid	-	-	-
52	Proceeds from sale of stock	-	-	-
53	Contributions in aid of construction under ICFA agreements	-	-	-
54	Payments of offering costs for sale of stock	-	-	-
55	Refunds of advances for construction	(310,580)	(310,580)	(310,580)
56	Net cash (used) provided by financing activities	(44,704)	(44,704)	(44,704)
57	Net change in cash	23	5,325,348	6,759,057
58				
59	<u>Supporting Schedules:</u>			Recap Schedules
60	E-3			A-5
61	F-3			

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule F-3

Test Year Ended December 31, 2019

Projected Construction Requirements

Line No.	Property Classification	Through 12/31/2020	Through 12/31/2021	Through 12/31/2022
1				
2	Waste Water Treatment	\$ 682,200	\$ 1,570,000	\$ 730,000
3				
4	Collection Systems	319,500	325,000	310,000
5				
6	Recycled Water	155,000	1,405,000	30,000
7				
8	SCADA	20,000	40,000	40,000
9				
10	Other	633,179	161,000	216,000
11				
12	Totals	\$ 1,809,879	\$ 3,501,000	\$ 1,326,000

Recap Schedules
F-2 and A-4

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Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule F-4

Test Year Ended December 31, 2019

Assumptions

Line

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Revenues and expenses were projected using the pro forma changes to the test year ending December 31, 2019. Actual expenses incurred during the test year ending December 31, 2019, were considered when developing pro forma adjustments. Where known and measurable changes are expected to occur, those changes are applied to determine pro form adjustments.

Construction forecasts are based on estimated plant requirements including new facilities, the replacement of existing facilities, and the improvement and maintenance of infrastructure necessary to ensure safe and reliable service.

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Cost of Service Study Schedules G-1 thru G-7

The Company did not perform a Cost of Service Study, for the reasons explained in Paragraph 10 of the Company's Rate Application.

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule H-1

Test Year Ended December 31, 2019

Classification - Present and Proposed Rates

Line No.	Customer Classification	[A] Revenue at 2019 Rates Sch. H-2 Col. C	[B] Revenue Annualized and adjusted for 2021 Rates	[C] Proposed Rates Sch. H-2 Col. F	[D] Proposed Increase Amount	[E] %
1						
2	Residential	\$ 17,559,143	\$ 18,443,606	\$ 19,505,055	\$ 1,061,449	5.8%
3	Commercial	899,039	993,757	1,056,919	63,162	6.4%
4	Recycled	961,692	1,124,017	1,290,442	166,425	14.8%
5						
6	Total Waste Water Revenues	\$ 19,419,874	\$ 20,561,381	\$ 21,852,417	\$ 1,291,036	6.3%
7						
8	Other Revenues (Sch. C-1, L4 and L5)	437,334	437,334	437,334	-	0.0%
9						
10	Adjustment	(529,521)	(529,521)	(4,371)	525,149	-99.2%
11						
12	TCJA Credit Phase In		(146,244)		146,244	-100.0%
13						
14	Total Operating Revenues	\$ 19,327,687	\$ 20,322,951	\$ 22,285,380	\$ 1,962,429	9.7%
15						
16						
17	Revenue Reconciliation					
18		Flat Rate Waste				
19	Revenue Per Book	\$ 17,968,549	\$ 921,804	\$ 18,890,353	Proposed	
20					Rates Variance	
21	Tax Act Refund	\$ 545,169	\$ -	\$ 545,169	4,371	
22	Accrued Revenue Consumption	\$ -	\$ 34,247	\$ 34,247		
23	Accrued Revenue Basic Meter Charge	\$ (81,148)	\$ -	\$ (81,148)		
24	Accrued Revenue Tax Act Refund	\$ 8,776	\$ -	\$ 8,776		
25	Bill Adjustments	\$ -	\$ 4,711	\$ 4,711		
26	Intercompany Bills	\$ 19,590	\$ 922	\$ 20,512		
27						
28	Wastewater Revenue Adjusted	\$ 18,460,936	\$ 961,683	\$ 19,422,619		
29						
30	Bill Count Revenue	\$ 18,458,182	\$ 961,692	\$ 19,419,874		
31						
32	Variance	\$ 2,754	\$ (8)	\$ 2,746		
33	Variance%	0.0149%	-0.0009%	0.0141%		
34						
35	Supporting Schedules				Recap Schedule	
36	H-2				A-1	

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-2
 Page 1 of 4

Line No.	Class of Service	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Bill Count Water Revenues								
		Average Number of Customers	Average Consumption	Revenue at 2019 Rates	Revenue at 2021 Rates	Annualization Adjustments*	Adjusted Present Rates	Proposed Rates	Proposed Increase [I -H]	%
1										
2	5/8" Residential	1,560	N/A	\$ 1,433,890	\$ 1,516,265	\$ 2,168	\$ 1,518,433	\$ 1,393,314	\$ (125,119)	-8.24%
3	3/4" Residential	19,723	N/A	16,107,896	16,455,804	451,639	16,907,443	18,092,778	1,185,336	7.01%
4	1" Residential	9	N/A	17,356	17,731	-	17,731	18,963	1,232	6.95%
5	5/8" Commercial	4	N/A	3,267	3,337	-	3,337	3,569	232	6.95%
6	3/4" Commercial	4	N/A	3,267	3,337	817	4,154	4,462	308	7.40%
7	1" Commercial	26	N/A	52,615	54,548	8,160	62,708	65,254	2,546	4.06%
8	1.5" Commercial	41	N/A	168,039	172,291	4,084	176,374	187,386	11,012	6.24%
9	2" Commercial	75	N/A	491,350	504,056	58,739	562,795	599,046	36,251	6.44%
10	3" Commercial	6	N/A	78,408	80,096	-	80,096	85,662	5,566	6.95%
11	4" Commercial	5	N/A	102,094	104,292	-	104,292	111,539	7,247	6.95%
12	Recycled	16	3,663,613	961,692	1,124,017	-	1,124,017	1,290,442	166,425	14.81%
13										
14										
15	Total Residential	21,292	N/A	\$ 17,559,143	\$ 17,989,800	\$ 453,807	\$ 18,443,606	\$ 19,505,055	\$ 1,061,449	5.76%
16	Total Commercial	161	N/A	899,039	921,958	71,799	993,757	1,056,919	63,162	6.36%
17	Recycled	16	3,663,613	961,692	1,124,017	-	1,124,017	1,290,442	166,425	14.81%
18	Totals	21,469		19,419,874	20,035,775	525,606	20,561,381	21,852,417	1,291,036	6.28%
19										
20										
21										
22	Supporting Schedules									
23										

*Adjustment C-2.11

Recap Schedules
 H-1

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-2
 Page 2 of 4

Line No.	Class of Service	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
		Bill Count Water Revenues								
		Average Number of Customers	Average Consumption	Revenue at 2019 Rates	Revenue at 2020 Rates	Annualization Adjustments*	Adjusted Present Rates	Proposed Rates	Proposed Increase [I -H]	%
1										
2	5/8" Residential	860	N/A	\$ 862,254	\$ 932,282	\$ 2,168	\$ 934,451	\$ 1,124,859	\$ 190,408	20.38%
3	3/4" Residential	-	N/A	-	-	-	-	-	-	
4	1" Residential	-	N/A	-	-	-	-	-	-	
5	5/8" Commercial	-	N/A	-	-	-	-	-	-	
6	3/4" Commercial	-	N/A	-	-	-	-	-	-	
7	1" Commercial	-	N/A	-	-	-	-	-	-	
8	1.5" Commercial	1	N/A	4,691	5,423	-	5,423	6,544	1,120	20.66%
9	2" Commercial	2	N/A	14,912	17,355	-	17,355	20,940	3,585	20.66%
10	3" Commercial	-	N/A	-	-	-	-	-	-	
11	4" Commercial	-	N/A	-	-	-	-	-	-	
12	1" Irrigation	3	N/A	7,182	8,135	-	8,135	9,816	1,680	20.66%
13	Recycled	5	272,286	14,790	14,790	-	14,790	16,112	1,322	8.93%
14										
15										
16	Total Residential	860	N/A	\$ 862,254	\$ 932,282	\$ 2,168	\$ 934,451	\$ 1,124,859	\$ 190,408	20.38%
17	Total Commercial	3	N/A	19,603	22,778	-	22,778	27,483	4,705	20.66%
18	Total Irrigation	3		7,182	8,135					
19	Recycled	5	272,286	14,790	14,790	-	14,790	16,112	1,322	8.93%
20	Totals	871		903,829	977,986	2,168	972,019	1,168,454	196,435	20.21%

*Adjustment C-2.11

Supporting Schedules

Recap Schedules
 H-1

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-2
 Page 3 of 4

Line No.	Class of Service	[A] Average Number of Customers	[B] Average Consumption	[C] Revenue at 2019 Rates	[D] Revenue at 2021 Rates	[E] Annualization Adjustments*	[F] Adjusted Present Rates	[G] Proposed Rates	[H] Proposed Increase [I -H]	[I] %
		Bill Count Water Revenues								
1										
2	5/8" Residential	700	N/A	\$ 571,636	\$ 583,982	\$ -	\$ 583,982	\$ 616,441	\$ 32,458	5.56%
3	3/4" Residential	19,723	N/A	16,107,896	16,455,804	\$ 451,639	\$ 16,907,443	17,857,473	\$ 950,030	5.62%
4	1" Residential	9	N/A	17,356	17,731	\$ -	\$ 17,731	18,716	\$ 985	5.56%
5	5/8" Commercial	4	N/A	3,267	3,337	\$ -	\$ 3,337	3,523	\$ 185	5.56%
6	3/4" Commercial	4	N/A	3,267	3,337	\$ 817	\$ 4,154	4,404	\$ 250	6.01%
7	1" Commercial	23	N/A	45,433	46,413	\$ 8,160	\$ 54,573	57,800	\$ 3,227	5.91%
8	1.5" Commercial	40	N/A	163,349	166,867	\$ 4,084	\$ 170,951	180,545	\$ 9,594	5.61%
9	2" Commercial	73	N/A	476,438	486,701	\$ 58,739	\$ 545,440	577,164	\$ 31,724	5.82%
10	3" Commercial	6	N/A	78,408	80,096	\$ -	\$ 80,096	84,548	\$ 4,452	5.56%
11	4" Commercial	5	N/A	102,094	104,292	\$ -	\$ 104,292	110,089	\$ 5,797	5.56%
12	Recycled	11	5,202,754	946,901	1,109,227	\$ -	\$ 1,109,227	1,247,020	\$ 137,793	12.42%
13										
14										
15	Total Residential	20,432	N/A	\$ 16,696,889	\$ 17,057,517	\$ 451,639	\$ 17,509,156	\$ 18,492,630	\$ 983,474	5.62%
16	Total Commercial	155	N/A	872,254	891,044	71,799	962,844	1,018,073	55,229	5.74%
17	Recycled	11	5,202,754	946,901	1,109,227	-	1,109,227	1,247,020	137,793	12.42%
18	Totals	20,598		18,516,044	19,057,789	523,438	19,581,227	20,757,723	1,176,496	6.01%

*Adjustment C-2.11

Supporting Schedules

Recap Schedules
 H-1

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule H-2

Test Year Ended December 31, 2019

Page 4 of 4

Classification - Present and Proposed Rates

Line No.		Current	Proposed	Increase	Test Year Charges	Revenue Increase
1						
2	Establishment	\$ 35.00	\$ 35.00	\$ -	5,549	\$ -
3	Reconnect	35.00	35.00	-	3,589	-
4	NSF Fees	30.00	30.00	-	3	-
5						
6	Proposed Misc. Service Charge Increase					\$ -
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Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Present and Proposed Rates

Schedule H-3
 Page 1 of 2

Monthly Minimum Charges:

Current Palo Verde Customers							
Basic Service Charge							
Meter Size (All Classes)	Present (2021)	Proposed (2022)	Change	Proposed (2023)	Change	Proposed (2024)	Change
5/8" X 3/4" Meter	\$ 69.53	\$ 70.04	\$ 0.51	\$ 72.29	\$ 2.25	\$ 74.36	\$ 2.07
3/4" Meter	69.53	70.04	0.51	72.29	2.25	74.36	2.07
1" Meter	173.83	175.11	1.28	180.73	5.63	185.91	5.18
1.5" Meter	347.64	350.20	2.56	361.45	11.25	371.80	10.35
2" Meter	556.23	560.32	4.09	578.32	18.00	594.88	16.56
3" Meter	1,112.45	1,120.64	8.19	1,156.63	36.00	1,189.75	33.12
4" Meter	1,738.20	1,750.99	12.79	1,807.24	56.25	1,858.99	51.75
6" Meter	3,476.50	3,502.08	25.58	3,614.58	112.50	3,718.08	103.50
8" Meter	5,562.40	5,603.33	40.93	5,783.33	180.00	5,948.93	165.60

Current Red Rock Customers							
Basic Service Charge							
Meter Size (All Classes)	Present	Proposed (2022)	Change	Proposed (2023)	Change	Proposed (2024)	Change
5/8" X 3/4" Meter	\$ 90.39	\$ 70.04	\$ (20.35)	72.29	\$ 2.25	74.36	\$ 2.07
3/4" Meter	135.59	70.04	(65.55)	72.29	2.25	74.36	2.07
1" Meter	225.98	175.11	(50.87)	180.73	5.63	185.91	5.18
1.5" Meter	451.95	350.20	(101.75)	361.45	11.25	371.80	10.35
2" Meter	723.12	560.32	(162.80)	578.32	18.00	594.88	16.56
3" Meter	1,355.85	1,120.64	(235.21)	1,156.63	36.00	1,189.75	33.12
4" Meter	2,259.75	1,750.99	(508.76)	1,807.24	56.25	1,858.99	51.75
6" Meter	2,259.75	3,502.08	1,242.33	3,614.58	112.50	3,718.08	103.50
8" Meter	NA	5,603.33	NA	5,783.33	180.00	5,948.93	165.60

Recycled Water Charge	Present (2021) Palo Verde	Proposed 2022	Change	Proposed 2023	Change	Proposed 2024	Change
All Gallons (Per Acre Foot)	\$ 534.40	\$ 557.21	\$ 22.81	\$ 580.02	\$ 22.81	\$ 607.28	\$ 27.26
All Gallons (Per 1,000 Gallons)	1.64	1.71	0.07	1.78	0.07	1.86	0.08

Recycled Water Charge	Present Red Rock	Proposed 2022	Change	Proposed 2023	Change	Proposed 2024	Change
All Gallons (Per Acre Foot)	\$ 300.00	\$ 557.21	\$ 257.21	\$ 580.02	\$ 22.81	\$ 607.28	\$ 27.26
All Gallons (Per 1,000 Gallons)	0.92	1.71	0.79	1.78	0.07	1.86	0.08

Rate Case Expense Surcharge 2023 and 2024 only	
5/8" X 3/4" Meter	\$ 0.45
3/4" Meter	0.45
1" Meter	1.12
1.5" Meter	2.24
2" Meter	3.58
3" Meter	6.71
4" Meter	11.18
6" Meter	22.35
8" Meter	35.76

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Miscellaneous Service Charges Current Palo Verde Customers	Present	Proposed
Establishment of Service	\$ 35.00	\$ 35.00
Re-establishment of Service (Within 12 Months)	(a)	(a)
Reconnection of Service (Delinquent)	35.00	35.00
After Hours Service Charge, Per Hour	50.00	50.00
Deposit	(b)	(b)
Deposit Interest	(b)	
NSF Check	30.00	30.00
Late Payment Charge (Per Month)	1.50%	1.50%
Deferred Payment Charge (Per Month)	1.50%	1.50%

(a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

(b) Per A.A.C. R14-2-603(B).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

Miscellaneous Service Charges Current Red Rock Customers	Present	Proposed
Establishment of Service	\$ 15.00	\$ 35.00
Re-establishment of Service (Within 12 Months)	(a)	(a)
Reconnection of Service (Delinquent)	30.00	35.00
After Hours Service Charge, Per Hour	NA	50.00
Deposit	(b)	(b)
Deposit Interest	(b)	
NSF Check	25.00	30.00
Late Payment Charge (Per Month)	1.50%	1.50%
Deferred Payment Charge (Per Month)	1.50%	1.50%
Service Calls - after hours (flat rate)	50.00	NA

(a) Number of Months off System times the monthly minimum per A.A.C. R14-2-603(D).

(b) Per A.A.C. R14-2-603(B).

In addition to the collection of its regular rates and charges, the Company shall collect from customers their proportionate share of any privilege, sales or use tax in accordance with A.A.C. R14-2-608(D)(5).

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Classification - Present and Proposed Rates

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Class of Service	Average Monthly Consumption	Present Rates (2021)	TCJA Bill Credit	Palo Verde			
				2021 Bill	Proposed Rates 2022	Proposed Increase	
						Amount	%
5/8" Residential	N/A	\$ 69.53	\$ (1.87)	\$ 67.66	\$ 70.04	\$ 2.38	3.43%
3/4" Residential	N/A	69.53	(2.80)	66.73	70.04	3.31	4.76%
1" Residential	N/A	173.83	(4.67)	169.16	175.11	5.95	3.42%
1.5" Residential	N/A	347.64	(9.34)	338.30	350.20	11.90	3.42%
2" Residential	N/A	556.23	(14.94)	541.29	560.32	19.03	3.42%
5/8" Commercial	N/A	69.53	(1.87)	67.66	70.04	2.38	3.43%
3/4" Commercial	N/A	69.53	(2.80)	66.73	70.04	3.31	4.76%
1" Commercial	N/A	173.83	(4.67)	169.16	175.11	5.95	3.42%
1.5" Commercial	N/A	347.64	(9.34)	338.30	350.20	11.90	3.42%
2" Commercial	N/A	556.23	(14.94)	541.29	560.32	19.03	3.42%
3" Commercial	N/A	1,112.45	(28.02)	1,084.43	1,120.64	36.21	3.25%
4" Commercial	N/A	1,738.20	(46.69)	1,691.51	1,750.99	59.48	3.42%
6" Commercial*	N/A	3,476.50	(93.39)	3,383.11	3,841.93	458.82	13.20%
8" Commercial*	N/A	5,562.40	(149.42)	5,412.98	6,147.09	734.11	13.20%

*Currently no 6" or 8" customers.

Class of Service	Average Monthly Consumption	Present Rates (2021)	TCJA Bill Credit	Red Rock			
				2021 Bill	Proposed Rates 2022	Proposed Increase	
						Amount	%
5/8" Residential	N/A	\$ 90.39	NA	\$ 90.39	\$ 70.04	\$ (20.35)	-22.51%
3/4" Residential	N/A	135.59	NA	135.59	70.04	(65.55)	-48.34%
1" Residential	N/A	225.98	NA	225.98	175.11	(50.87)	-22.51%
1.5" Residential	N/A	451.95	NA	451.95	350.20	(101.75)	-22.51%
2" Residential	N/A	723.12	NA	723.12	560.32	(162.80)	-22.51%
5/8" Commercial	N/A	90.39	NA	90.39	70.04	(20.35)	-22.51%
3/4" Commercial	N/A	135.59	NA	135.59	70.04	(65.55)	-48.34%
1" Commercial	N/A	225.98	NA	225.98	175.11	(50.87)	-22.51%
1.5" Commercial	N/A	451.95	NA	451.95	350.20	(101.75)	-22.51%
2" Commercial	N/A	723.12	NA	723.12	560.32	(162.80)	-22.51%
3" Commercial	N/A	1,355.85	NA	1,355.85	1,120.64	(235.21)	-17.35%
4" Commercial	N/A	2,259.75	NA	2,259.75	1,750.99	(508.76)	-22.51%
6" Commercial*	N/A	4,519.50	NA	4,519.50	3,841.93	(677.57)	-14.99%
8" Commercial*	N/A	NA	NA	NA	6,147.09	NA	NA

*Currently no 6" or 8" customers.

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Palo Verde

Class of Service	Average Monthly Consumption	Present Rates (2021)	TCJA Bill Credit	2021 Bill	Rate Case Expense Surcharge	Proposed Rates 2023	Proposed In Amount
5/8" Residential	N/A	\$ 69.53	\$ (1.87)	\$ 67.66	\$ 0.45	\$ 72.74	\$ 5.08
3/4" Residential	N/A	69.53	(2.80)	66.73	0.45	72.74	6.01
1" Residential	N/A	173.83	(4.67)	169.16	1.12	181.85	12.69
1.5" Residential	N/A	347.64	(9.34)	338.30	2.24	363.69	25.39
2" Residential	N/A	556.23	(14.94)	541.29	3.58	581.90	40.61
5/8" Commercial	N/A	69.53	(1.87)	67.66	0.45	72.74	5.08
3/4" Commercial	N/A	69.53	(2.80)	66.73	0.45	72.74	6.01
1" Commercial	N/A	173.83	(4.67)	169.16	1.12	181.85	12.69
1.5" Commercial	N/A	347.64	(9.34)	338.30	2.24	363.69	25.39
2" Commercial	N/A	556.23	(14.94)	541.29	3.58	581.90	40.61
3" Commercial	N/A	1,112.45	(28.02)	1,084.43	6.71	1,163.34	78.91
4" Commercial	N/A	1,738.20	(46.69)	1,691.51	11.18	1,818.42	126.91
6" Commercial*	N/A	3,476.50	(93.39)	3,383.11	22.35	3,864.28	481.17
8" Commercial*	N/A	5,562.40	(149.42)	5,412.98	35.76	6,182.85	769.87

*Currently no 6" or 8" customers.

Red Rock

Class of Service	Average Monthly Consumption	Present Rates (2021)	TCJA Bill Credit	2021 Bill	Rate Case Expense Surcharge	Proposed Rates 2023	Proposed In Amount
5/8" Residential	N/A	\$ 90.39	NA	\$ 90.39	\$ 0.45	\$ 72.74	\$ (17.65)
3/4" Residential	N/A	135.59	NA	135.59	0.45	72.74	(62.85)
1" Residential	N/A	225.98	NA	225.98	1.12	181.85	(44.13)
1.5" Residential	N/A	451.95	NA	451.95	2.24	363.69	(88.26)
2" Residential	N/A	723.12	NA	723.12	3.58	581.90	(141.22)
5/8" Commercial	N/A	90.39	NA	90.39	0.45	72.74	(17.65)
3/4" Commercial	N/A	135.59	NA	135.59	0.45	72.74	(62.85)
1" Commercial	N/A	225.98	NA	225.98	1.12	181.85	(44.13)
1.5" Commercial	N/A	451.95	NA	451.95	2.24	363.69	(88.26)
2" Commercial	N/A	723.12	NA	723.12	3.58	581.90	(141.22)
3" Commercial	N/A	1,355.85	NA	1,355.85	6.71	1,163.34	(192.51)
4" Commercial	N/A	2,259.75	NA	2,259.75	11.18	1,818.42	(441.33)
6" Commercial*	N/A	4,519.50	NA	4,519.50	22.35	3,864.28	(655.22)
8" Commercial*	N/A	NA	NA	NA	35.76	6,182.85	NA

*Currently no 6" or 8" customers.

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Class of Service	Average Monthly Consumption	Present Rates (2021)	TCJA Bill Credit	Palo Verde		Proposed Rates 2024	Proposed Amount
				2021 Bill	Rate Case Expense Surcharge		
5/8" Residential	N/A	\$ 69.53	\$ (1.87)	\$ 67.66	\$ 0.45	\$ 74.81	\$ 7.15
3/4" Residential	N/A	69.53	(2.80)	66.73	0.45	74.81	8.08
1" Residential	N/A	173.83	(4.67)	169.16	1.12	187.03	17.87
1.5" Residential	N/A	347.64	(9.34)	338.30	2.24	374.04	35.74
2" Residential	N/A	556.23	(14.94)	541.29	3.58	598.46	57.17
5/8" Commercial	N/A	69.53	(1.87)	67.66	0.45	74.81	7.15
3/4" Commercial	N/A	69.53	(2.80)	66.73	0.45	74.81	8.08
1" Commercial	N/A	173.83	(4.67)	169.16	1.12	187.03	17.87
1.5" Commercial	N/A	347.64	(9.34)	338.30	2.24	374.04	35.74
2" Commercial	N/A	556.23	(14.94)	541.29	3.58	598.46	57.17
3" Commercial	N/A	1,112.45	(28.02)	1,084.43	6.71	1,196.46	112.03
4" Commercial	N/A	1,738.20	(46.69)	1,691.51	11.18	1,870.17	178.66
6" Commercial*	N/A	3,476.50	(93.39)	3,383.11	22.35	3,841.93	458.82
8" Commercial*	N/A	5,562.40	(149.42)	5,412.98	35.76	6,147.09	734.11

*Currently no 6" or 8" customers.

Class of Service	Average Monthly Consumption	Present Rates (2021)	TCJA Bill Credit	Red Rock		Proposed Rates 2024	Proposed Amount
				2021 Bill	Rate Case Expense Surcharge		
5/8" Residential	N/A	\$ 90.39	NA	\$ 90.39	\$ 0.45	\$ 74.81	\$ (15.58)
3/4" Residential	N/A	135.59	NA	135.59	0.45	74.81	(60.78)
1" Residential	N/A	225.98	NA	225.98	1.12	187.03	(38.95)
1.5" Residential	N/A	451.95	NA	451.95	2.24	374.04	(77.91)
2" Residential	N/A	723.12	NA	723.12	3.58	598.46	(124.66)
5/8" Commercial	N/A	90.39	NA	90.39	0.45	74.81	(15.58)
3/4" Commercial	N/A	135.59	NA	135.59	0.45	74.81	(60.78)
1" Commercial	N/A	225.98	NA	225.98	1.12	187.03	(38.95)
1.5" Commercial	N/A	451.95	NA	451.95	2.24	374.04	(77.91)
2" Commercial	N/A	723.12	NA	723.12	3.58	598.46	(124.66)
3" Commercial	N/A	1,355.85	NA	1,355.85	6.71	1,196.46	(159.39)
4" Commercial	N/A	2,259.75	NA	2,259.75	11.18	1,870.17	(389.58)
6" Commercial*	N/A	4,519.50	NA	4,519.50	22.35	3,841.93	(677.57)
8" Commercial*	N/A	NA	NA	NA	35.76	6,147.09	NA

*Currently no 6" or 8" customers.

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
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 Classification - Present and Proposed Rates

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PALO VERDE PHASE 1 of 3

Class of Service	Monthly Consumption (1,000s)	Present Rates (2021)	Proposed Rates 2022	Proposed Increase	
				Amount	%
Recycled Water					
	100	\$ 164	\$ 171	\$ 7	4.27%
	1100	1,804	1,881	77	4.27%
	2100	3,444	3,591	147	4.27%
	3100	5,084	5,301	217	4.27%
	4100	6,724	7,011	287	4.27%
	5100	8,364	8,721	357	4.27%
	6100	10,004	10,431	427	4.27%
	7100	11,644	12,141	497	4.27%
	8100	13,284	13,851	567	4.27%
	9100	14,924	15,561	637	4.27%
	10100	16,564	17,271	707	4.27%
	11100	18,204	18,981	777	4.27%
	12100	19,844	20,691	847	4.27%
	13100	21,484	22,401	917	4.27%
	14100	23,124	24,111	987	4.27%
	15100	24,764	25,821	1,057	4.27%
	16100	26,404	27,531	1,127	4.27%
	17100	28,044	29,241	1,197	4.27%
	18100	29,684	30,951	1,267	4.27%
	19100	31,324	32,661	1,337	4.27%
	20100	32,964	34,371	1,407	4.27%
	21100	34,604	36,081	1,477	4.27%
	22100	36,244	37,791	1,547	4.27%
	23100	37,884	39,501	1,617	4.27%
	24100	39,524	41,211	1,687	4.27%
	25100	41,164	42,921	1,757	4.27%
	26100	42,804	44,631	1,827	4.27%
	27100	44,444	46,341	1,897	4.27%
	28100	46,084	48,051	1,967	4.27%
	29100	47,724	49,761	2,037	4.27%

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PALO VERDE PHASE 2 of 3

Class of Service	Monthly Consumption (1,000s)	Present Rates (2021)	Proposed Rates 2023	Proposed Increase	
				Amount	%
Recycled Water					
	100	\$ 164	\$ 178	\$ 14	8.54%
	1100	1,804	1,958	154	8.54%
	2100	3,444	3,738	294	8.54%
	3100	5,084	5,518	434	8.54%
	4100	6,724	7,298	574	8.54%
	5100	8,364	9,078	714	8.54%
	6100	10,004	10,858	854	8.54%
	7100	11,644	12,638	994	8.54%
	8100	13,284	14,418	1,134	8.54%
	9100	14,924	16,198	1,274	8.54%
	10100	16,564	17,978	1,414	8.54%
	11100	18,204	19,758	1,554	8.54%
	12100	19,844	21,538	1,694	8.54%
	13100	21,484	23,318	1,834	8.54%
	14100	23,124	25,098	1,974	8.54%
	15100	24,764	26,878	2,114	8.54%
	16100	26,404	28,658	2,254	8.54%
	17100	28,044	30,438	2,394	8.54%
	18100	29,684	32,218	2,534	8.54%
	19100	31,324	33,998	2,674	8.54%
	20100	32,964	35,778	2,814	8.54%
	21100	34,604	37,558	2,954	8.54%
	22100	36,244	39,338	3,094	8.54%
	23100	37,884	41,118	3,234	8.54%
	24100	39,524	42,898	3,374	8.54%
	25100	41,164	44,678	3,514	8.54%
	26100	42,804	46,458	3,654	8.54%
	27100	44,444	48,238	3,794	8.54%
	28100	46,084	50,018	3,934	8.54%
	29100	47,724	51,798	4,074	8.54%

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

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Classification - Present and Proposed Rates

PALO VERDE PHASE 3 of 3

Class of Service	Monthly Consumption (1,000s)	Present Rates (2021)	Proposed Rates 2024	Proposed Increase	
				Amount	%
Recycled Water					
	100	\$ 164	\$ 186	\$ 22	13.64%
	1100	1,804	2,050	246	13.64%
	2100	3,444	3,914	470	13.64%
	3100	5,084	5,777	693	13.64%
	4100	6,724	7,641	917	13.64%
	5100	8,364	9,505	1,141	13.64%
	6100	10,004	11,368	1,364	13.64%
	7100	11,644	13,232	1,588	13.64%
	8100	13,284	15,096	1,812	13.64%
	9100	14,924	16,959	2,035	13.64%
	10100	16,564	18,823	2,259	13.64%
	11100	18,204	20,687	2,483	13.64%
	12100	19,844	22,550	2,706	13.64%
	13100	21,484	24,414	2,930	13.64%
	14100	23,124	26,278	3,154	13.64%
	15100	24,764	28,141	3,377	13.64%
	16100	26,404	30,005	3,601	13.64%
	17100	28,044	31,869	3,825	13.64%
	18100	29,684	33,732	4,048	13.64%
	19100	31,324	35,596	4,272	13.64%
	20100	32,964	37,460	4,496	13.64%
	21100	34,604	39,323	4,719	13.64%
	22100	36,244	41,187	4,943	13.64%
	23100	37,884	43,051	5,167	13.64%
	24100	39,524	44,914	5,390	13.64%
	25100	41,164	46,778	5,614	13.64%
	26100	42,804	48,642	5,838	13.64%
	27100	44,444	50,505	6,061	13.64%
	28100	46,084	52,369	6,285	13.64%
	29100	47,724	54,233	6,509	13.64%

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

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Classification - Present and Proposed Rates

RED ROCK PHASE 1 of 3

Class of Service	Monthly Consumption (1,000s)	Present Rates (2021)	Proposed Rates 2022	Proposed Increase	
				Amount	%
Recycled Water					
	100	\$ 92	\$ 171	\$ 79	85.87%
	1100	1,012	1,881	869	85.87%
	2100	1,932	3,591	1,659	85.87%
	3100	2,852	5,301	2,449	85.87%
	4100	3,772	7,011	3,239	85.87%
	5100	4,692	8,721	4,029	85.87%
	6100	5,612	10,431	4,819	85.87%
	7100	6,532	12,141	5,609	85.87%
	8100	7,452	13,851	6,399	85.87%
	9100	8,372	15,561	7,189	85.87%
	10100	9,292	17,271	7,979	85.87%
	11100	10,212	18,981	8,769	85.87%
	12100	11,132	20,691	9,559	85.87%
	13100	12,052	22,401	10,349	85.87%
	14100	12,972	24,111	11,139	85.87%
	15100	13,892	25,821	11,929	85.87%
	16100	14,812	27,531	12,719	85.87%
	17100	15,732	29,241	13,509	85.87%
	18100	16,652	30,951	14,299	85.87%
	19100	17,572	32,661	15,089	85.87%
	20100	18,492	34,371	15,879	85.87%
	21100	19,412	36,081	16,669	85.87%
	22100	20,332	37,791	17,459	85.87%
	23100	21,252	39,501	18,249	85.87%
	24100	22,172	41,211	19,039	85.87%
	25100	23,092	42,921	19,829	85.87%
	26100	24,012	44,631	20,619	85.87%
	27100	24,932	46,341	21,409	85.87%
	28100	25,852	48,051	22,199	85.87%
	29100	26,772	49,761	22,989	85.87%

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Classification - Present and Proposed Rates

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RED ROCK PHASE 2 of 3

Class of Service	Monthly Consumption	Present Rates	Proposed Rates	Proposed Increase	
	(1,000s)	(2021)	2023	Amount	%
Recycled Water	100	\$ 92	\$ 178	\$ 86	93.48%
	1100	1,012	1,958	946	93.48%
	2100	1,932	3,738	1,806	93.48%
	3100	2,852	5,518	2,666	93.48%
	4100	3,772	7,298	3,526	93.48%
	5100	4,692	9,078	4,386	93.48%
	6100	5,612	10,858	5,246	93.48%
	7100	6,532	12,638	6,106	93.48%
	8100	7,452	14,418	6,966	93.48%
	9100	8,372	16,198	7,826	93.48%
	10100	9,292	17,978	8,686	93.48%
	11100	10,212	19,758	9,546	93.48%
	12100	11,132	21,538	10,406	93.48%
	13100	12,052	23,318	11,266	93.48%
	14100	12,972	25,098	12,126	93.48%
	15100	13,892	26,878	12,986	93.48%
	16100	14,812	28,658	13,846	93.48%
	17100	15,732	30,438	14,706	93.48%
	18100	16,652	32,218	15,566	93.48%
	19100	17,572	33,998	16,426	93.48%
	20100	18,492	35,778	17,286	93.48%
	21100	19,412	37,558	18,146	93.48%
	22100	20,332	39,338	19,006	93.48%
	23100	21,252	41,118	19,866	93.48%
	24100	22,172	42,898	20,726	93.48%
	25100	23,092	44,678	21,586	93.48%
	26100	24,012	46,458	22,446	93.48%
	27100	24,932	48,238	23,306	93.48%
	28100	25,852	50,018	24,166	93.48%
	29100	26,772	51,798	25,026	93.48%

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Schedule H-4

Test Year Ended December 31, 2019

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Classification - Present and Proposed Rates

RED ROCK PHASE 3 of 3

Class of Service	Monthly Consumption (1,000s)	Present Rates (2021)	Proposed Rates 2024	Proposed Increase	
				Amount	%
Recycled Water					
	100	\$ 92	\$ 186	\$ 94	102.57%
	1100	1,012	2,050	1,038	102.57%
	2100	1,932	3,914	1,982	102.57%
	3100	2,852	5,777	2,925	102.57%
	4100	3,772	7,641	3,869	102.57%
	5100	4,692	9,505	4,813	102.57%
	6100	5,612	11,368	5,756	102.57%
	7100	6,532	13,232	6,700	102.57%
	8100	7,452	15,096	7,644	102.57%
	9100	8,372	16,959	8,587	102.57%
	10100	9,292	18,823	9,531	102.57%
	11100	10,212	20,687	10,475	102.57%
	12100	11,132	22,550	11,418	102.57%
	13100	12,052	24,414	12,362	102.57%
	14100	12,972	26,278	13,306	102.57%
	15100	13,892	28,141	14,249	102.57%
	16100	14,812	30,005	15,193	102.57%
	17100	15,732	31,869	16,137	102.57%
	18100	16,652	33,732	17,080	102.57%
	19100	17,572	35,596	18,024	102.57%
	20100	18,492	37,460	18,968	102.57%
	21100	19,412	39,323	19,911	102.57%
	22100	20,332	41,187	20,855	102.57%
	23100	21,252	43,051	21,799	102.57%
	24100	22,172	44,914	22,742	102.57%
	25100	23,092	46,778	23,686	102.57%
	26100	24,012	48,642	24,630	102.57%
	27100	24,932	50,505	25,573	102.57%
	28100	25,852	52,369	26,517	102.57%
	29100	26,772	54,233	27,461	102.57%

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated

Test Year Ended December 31, 2019

Schedule H-5

Classification - Present and Proposed Rates

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Rate Schedule: All Wastewater

Line		Average	
No.	Class of Service	Number of Bills	Number of Customers
1			
2	5/8" Residential	18713	1560
3	3/4" Residential	236672	19723
4	1" Residential	102	9
5	5/8" Commercial	48	4
6	3/4" Commercial	48	4
7	1" Commercial	303	26
8	1.5" Commercial	492	41
9	2" Commercial	899	75
10	3" Commercial	72	6
11	4" Commercial	60	5

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
Test Year Ended December 31, 2019
Classification - Present and Proposed Rates

Schedule H-5
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Rate Schedule:		Recycled					
Block		Number of Bills by Block	Consumption by Blocks	Cumulative Bills No. % of Total	Cumulative Consumption Amount % of Total		
0	0	-	-	0.00%	-	-	0.00%
1	1000	1	501	1 0.53%	501	0.00%	
1001	2000	1	1,501	2 1.06%	2,001	0.00%	
2001	3000	-	-	2 1.06%	2,001	0.00%	
3001	4000	4	14,002	6 3.17%	16,003	0.00%	
4001	5000	5	22,503	11 5.82%	38,506	0.01%	
5001	6000	4	22,002	15 7.94%	60,508	0.01%	
6001	7000	4	26,002	19 10.05%	86,510	0.01%	
7001	8000	2	15,001	21 11.11%	101,511	0.01%	
8001	9000	-	-	21 11.11%	101,511	0.01%	
9001	10000	-	-	21 11.11%	101,511	0.01%	
10001	11000	2	21,001	23 12.17%	122,512	0.02%	
11001	12000	-	-	23 12.17%	122,512	0.02%	
12001	13000	-	-	23 12.17%	122,512	0.02%	
13001	14000	-	-	23 12.17%	122,512	0.02%	
14001	15000	-	-	23 12.17%	122,512	0.02%	
15001	16000	-	-	23 12.17%	122,512	0.02%	
16001	17000	-	-	23 12.17%	122,512	0.02%	
17001	18000	1	17,501	24 12.70%	140,012	0.02%	
18001	19000	-	-	24 12.70%	140,012	0.02%	
19001	20000	1	19,501	25 13.23%	159,513	0.02%	
20001	21000	-	-	25 13.23%	159,513	0.02%	
21001	22000	-	-	25 13.23%	159,513	0.02%	
22001	23000	1	22,501	26 13.76%	182,013	0.03%	
23001	24000	1	23,501	27 14.29%	205,514	0.03%	
24001	25000	2	49,001	29 15.34%	254,515	0.04%	
25001	26000	-	-	29 15.34%	254,515	0.04%	
26001	27000	-	-	29 15.34%	254,515	0.04%	
27001	28000	-	-	29 15.34%	254,515	0.04%	
28001	29000	-	-	29 15.34%	254,515	0.04%	
29001	30000	-	-	29 15.34%	254,515	0.04%	
30001	31000	1	30,501	30 15.87%	285,015	0.04%	
31001	32000	-	-	30 15.87%	285,015	0.04%	
32001	33000	1	32,501	31 16.40%	317,516	0.05%	
33001	34000	-	-	31 16.40%	317,516	0.05%	
34001	35000	-	-	31 16.40%	317,516	0.05%	
35001	36000	-	-	31 16.40%	317,516	0.05%	
36001	37000	-	-	31 16.40%	317,516	0.05%	
37001	38000	-	-	31 16.40%	317,516	0.05%	
38001	39000	-	-	31 16.40%	317,516	0.05%	
39001	40000	-	-	31 16.40%	317,516	0.05%	
40001	41000	1	40,501	32 16.93%	358,016	0.05%	
41001	42000	-	-	32 16.93%	358,016	0.05%	
42001	43000	-	-	32 16.93%	358,016	0.05%	
43001	44000	-	-	32 16.93%	358,016	0.05%	
44001	45000	1	44,501	33 17.46%	402,517	0.06%	
45001	46000	-	-	33 17.46%	402,517	0.06%	
46001	47000	1	46,501	34 17.99%	449,017	0.06%	
47001	48000	-	-	34 17.99%	449,017	0.06%	
48001	49000	-	-	34 17.99%	449,017	0.06%	
49001	50000	-	-	34 17.99%	449,017	0.06%	
50001	51000	-	-	34 17.99%	449,017	0.06%	
51001	52000	-	-	34 17.99%	449,017	0.06%	
52001	53000	-	-	34 17.99%	449,017	0.06%	
53001	54000	-	-	34 17.99%	449,017	0.06%	
54001	55000	-	-	34 17.99%	449,017	0.06%	
55001	56000	-	-	34 17.99%	449,017	0.06%	
56001	57000	1	56,501	35 18.52%	505,518	0.07%	
57001	58000	-	-	35 18.52%	505,518	0.07%	
58001	59000	-	-	35 18.52%	505,518	0.07%	
59001	60000	-	-	35 18.52%	505,518	0.07%	
60001	61000	2	121,001	37 19.68%	626,519	0.09%	
61001	62000	1	61,501	38 20.11%	688,019	0.10%	
62001	63000	1	62,501	39 20.63%	750,520	0.11%	
63001	64000	-	-	39 20.63%	750,520	0.11%	
64001	65000	-	-	39 20.63%	750,520	0.11%	
65001	66000	1	65,501	40 21.16%	816,020	0.12%	
66001	67000	-	-	40 21.16%	816,020	0.12%	
67001	68000	-	-	40 21.16%	816,020	0.12%	
68001	69000	-	-	40 21.16%	816,020	0.12%	
69001	70000	-	-	40 21.16%	816,020	0.12%	
70001	71000	-	-	40 21.16%	816,020	0.12%	
71001	72000	1	71,501	41 21.69%	887,521	0.13%	
72001	73000	1	72,501	42 22.22%	960,021	0.14%	
73001	74000	-	-	42 22.22%	960,021	0.14%	
74001	75000	-	-	42 22.22%	960,021	0.14%	
75001	76000	-	-	42 22.22%	960,021	0.14%	
76001	77000	-	-	42 22.22%	960,021	0.14%	
77001	78000	-	-	42 22.22%	960,021	0.14%	
78001	79000	-	-	42 22.22%	960,021	0.14%	
79001	80000	-	-	42 22.22%	960,021	0.14%	
80001	81000	-	-	42 22.22%	960,021	0.14%	
81001	82000	-	-	42 22.22%	960,021	0.14%	
82001	83000	-	-	42 22.22%	960,021	0.14%	
83001	84000	-	-	42 22.22%	960,021	0.14%	
84001	85000	-	-	42 22.22%	960,021	0.14%	
85001	86000	-	-	42 22.22%	960,021	0.14%	
86001	87000	-	-	42 22.22%	960,021	0.14%	
87001	88000	-	-	42 22.22%	960,021	0.14%	
88001	89000	-	-	42 22.22%	960,021	0.14%	
89001	90000	1	89,501	43 22.75%	1,049,522	0.15%	
90001	91000	-	-	43 22.75%	1,049,522	0.15%	
91001	92000	-	-	43 22.75%	1,049,522	0.15%	
92001	93000	1	92,501	44 23.28%	1,142,022	0.16%	
93001	94000	1	93,501	45 23.81%	1,235,523	0.18%	
94001	95000	1	94,501	46 24.34%	1,330,023	0.19%	
95001	96000	-	-	46 24.34%	1,330,023	0.19%	
96001	97000	-	-	46 24.34%	1,330,023	0.19%	
97001	98000	1	97,501	47 24.87%	1,427,524	0.21%	
98001	99000	-	-	47 24.87%	1,427,524	0.21%	
99001	100000	1	99,501	48 25.40%	1,527,024	0.22%	

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Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

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Rate Schedule: Recycled

Block	Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption		
			No.	% of Total	Amount	% of Total	
103,800	103,800	1	103,800	49	25.93%	1,630,824	0.24%
109,370	109,370	1	109,370	50	26.46%	1,740,194	0.25%
113,530	113,530	1	113,530	51	26.98%	1,853,724	0.27%
114,420	114,420	1	114,420	52	27.51%	1,968,144	0.28%
118,700	118,700	1	118,700	53	28.04%	2,086,844	0.30%
118,940	118,940	1	118,940	54	28.57%	2,205,784	0.32%
123,800	123,800	1	123,800	55	29.10%	2,329,584	0.34%
130,000	130,000	1	130,000	56	29.63%	2,459,584	0.36%
143,500	143,500	1	143,500	57	30.16%	2,603,084	0.38%
151,900	151,900	1	151,900	58	30.69%	2,754,984	0.40%
171,190	171,190	1	171,190	59	31.22%	2,926,174	0.42%
171,600	171,600	1	171,600	60	31.75%	3,097,774	0.45%
221,100	221,100	1	221,100	61	32.28%	3,318,874	0.48%
233,100	233,100	1	233,100	62	32.80%	3,551,974	0.51%
244,000	244,000	1	244,000	63	33.33%	3,795,974	0.55%
248,200	248,200	1	248,200	64	33.86%	4,044,174	0.58%
291,400	291,400	1	291,400	65	34.39%	4,335,574	0.63%
333,100	333,100	1	333,100	66	34.92%	4,668,674	0.67%
384,000	384,000	1	384,000	67	35.45%	5,052,674	0.73%
385,700	385,700	1	385,700	68	35.98%	5,438,374	0.79%
402,900	402,900	1	402,900	69	36.51%	5,841,274	0.84%
403,000	403,000	1	403,000	70	37.04%	6,244,274	0.90%
413,000	413,000	1	413,000	71	37.57%	6,657,274	0.96%
445,100	445,100	1	445,100	72	38.10%	7,102,374	1.03%
446,000	446,000	1	446,000	73	38.62%	7,548,374	1.09%
459,400	459,400	1	459,400	74	39.15%	8,007,774	1.16%
495,100	495,100	1	495,100	75	39.68%	8,502,874	1.23%
520,800	520,800	1	520,800	76	40.21%	9,023,674	1.30%
525,000	525,000	1	525,000	77	40.74%	9,548,674	1.38%
527,500	527,500	1	527,500	78	41.27%	10,076,174	1.46%
539,100	539,100	1	539,100	79	41.80%	10,615,274	1.53%
553,800	553,800	1	553,800	80	42.33%	11,169,074	1.61%
593,100	593,100	1	593,100	81	42.86%	11,762,174	1.70%
636,900	636,900	1	636,900	82	43.39%	12,399,074	1.79%
664,100	664,100	1	664,100	83	43.92%	13,063,174	1.89%
664,100	664,100	1	664,100	84	44.44%	13,727,274	1.98%
669,000	669,000	1	669,000	85	44.97%	14,396,274	2.08%
749,800	749,800	1	749,800	86	45.50%	15,146,074	2.19%
758,100	758,100	1	758,100	87	46.03%	15,904,174	2.30%
797,000	797,000	1	797,000	88	46.56%	16,701,174	2.41%
877,000	877,000	1	877,000	89	47.09%	17,578,174	2.54%
915,700	915,700	1	915,700	90	47.62%	18,493,874	2.67%
950,500	950,500	1	950,500	91	48.15%	19,444,374	2.81%
955,000	955,000	1	955,000	92	48.68%	20,399,374	2.95%
980,000	980,000	1	980,000	93	49.21%	21,379,374	3.09%
1,131,000	1,131,000	1	1,131,000	94	49.74%	22,510,374	3.25%
1,196,500	1,196,500	1	1,196,500	95	50.26%	23,706,874	3.42%
1,223,000	1,223,000	1	1,223,000	96	50.79%	24,929,874	3.60%
1,269,000	1,269,000	1	1,269,000	97	51.32%	26,198,874	3.78%
1,317,000	1,317,000	1	1,317,000	98	51.85%	27,515,874	3.97%

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Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-5
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Rate Schedule: Recycled

Block		Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
1,343,000	1,343,000	1	1,343,000	99	52.38%	28,858,874	4.17%
1,390,000	1,390,000	1	1,390,000	100	52.91%	30,248,874	4.37%
1,506,000	1,506,000	1	1,506,000	101	53.44%	31,754,874	4.59%
1,542,000	1,542,000	1	1,542,000	102	53.97%	33,296,874	4.81%
1,579,000	1,579,000	1	1,579,000	103	54.50%	34,875,874	5.04%
1,706,000	1,706,000	1	1,706,000	104	55.03%	36,581,874	5.28%
1,743,000	1,743,000	1	1,743,000	105	55.56%	38,324,874	5.53%
1,859,000	1,859,000	1	1,859,000	106	56.08%	40,183,874	5.80%
2,387,000	2,387,000	1	2,387,000	107	56.61%	42,570,874	6.15%
2,405,000	2,405,000	1	2,405,000	108	57.14%	44,975,874	6.50%
2,520,000	2,520,000	1	2,520,000	109	57.67%	47,495,874	6.86%
2,559,000	2,559,000	1	2,559,000	110	58.20%	50,054,874	7.23%
2,585,000	2,585,000	1	2,585,000	111	58.73%	52,639,874	7.60%
2,666,000	2,666,000	1	2,666,000	112	59.26%	55,305,874	7.99%
2,695,000	2,695,000	1	2,695,000	113	59.79%	58,000,874	8.38%
2,928,000	2,928,000	1	2,928,000	114	60.32%	60,928,874	8.80%
2,944,000	2,944,000	1	2,944,000	115	60.85%	63,872,874	9.22%
2,955,000	2,955,000	1	2,955,000	116	61.38%	66,827,874	9.65%
3,085,000	3,085,000	1	3,085,000	117	61.90%	69,912,874	10.10%
3,094,000	3,094,000	1	3,094,000	118	62.43%	73,006,874	10.54%
3,111,000	3,111,000	1	3,111,000	119	62.96%	76,117,874	10.99%
3,173,000	3,173,000	1	3,173,000	120	63.49%	79,290,874	11.45%
3,216,000	3,216,000	1	3,216,000	121	64.02%	82,506,874	11.92%
3,446,000	3,446,000	1	3,446,000	122	64.55%	85,952,874	12.41%
3,447,000	3,447,000	1	3,447,000	123	65.08%	89,399,874	12.91%
3,648,000	3,648,000	1	3,648,000	124	65.61%	93,047,874	13.44%
3,656,000	3,656,000	1	3,656,000	125	66.14%	96,703,874	13.97%
3,661,000	3,661,000	1	3,661,000	126	66.67%	100,364,874	14.49%
3,687,000	3,687,000	1	3,687,000	127	67.20%	104,051,874	15.03%
3,875,000	3,875,000	1	3,875,000	128	67.72%	107,926,874	15.59%
3,915,000	3,915,000	1	3,915,000	129	68.25%	111,841,874	16.15%
4,213,000	4,213,000	1	4,213,000	130	68.78%	116,054,874	16.76%
4,225,000	4,225,000	1	4,225,000	131	69.31%	120,279,874	17.37%
4,305,000	4,305,000	1	4,305,000	132	69.84%	124,584,874	17.99%
4,324,000	4,324,000	1	4,324,000	133	70.37%	128,908,874	18.62%
4,606,000	4,606,000	1	4,606,000	134	70.90%	133,514,874	19.28%
4,725,000	4,725,000	1	4,725,000	135	71.43%	138,239,874	19.96%
4,900,000	4,900,000	1	4,900,000	136	71.96%	143,139,874	20.67%
4,905,000	4,905,000	1	4,905,000	137	72.49%	148,044,874	21.38%
5,171,000	5,171,000	1	5,171,000	138	73.02%	153,215,874	22.13%
5,235,000	5,235,000	1	5,235,000	139	73.54%	158,450,874	22.88%
5,574,000	5,574,000	1	5,574,000	140	74.07%	164,024,874	23.69%
5,699,000	5,699,000	1	5,699,000	141	74.60%	169,723,874	24.51%
5,786,000	5,786,000	1	5,786,000	142	75.13%	175,509,874	25.35%
5,927,000	5,927,000	1	5,927,000	143	75.66%	181,436,874	26.20%
5,963,000	5,963,000	1	5,963,000	144	76.19%	187,399,874	27.06%
6,106,000	6,106,000	1	6,106,000	145	76.72%	193,505,874	27.95%
6,119,000	6,119,000	1	6,119,000	146	77.25%	199,624,874	28.83%
6,459,000	6,459,000	1	6,459,000	147	77.78%	206,083,874	29.76%
6,593,000	6,593,000	1	6,593,000	148	78.31%	212,676,874	30.71%
6,620,000	6,620,000	1	6,620,000	149	78.84%	219,296,874	31.67%
6,679,000	6,679,000	1	6,679,000	150	79.37%	225,975,874	32.64%
6,805,000	6,805,000	1	6,805,000	151	79.89%	232,780,874	33.62%
7,022,000	7,022,000	1	7,022,000	152	80.42%	239,802,874	34.63%

Continued on page 5

Global Water -Palo Verde Utilities Company Red Rock Sewer Picacho Consolidated
 Test Year Ended December 31, 2019
 Classification - Present and Proposed Rates

Schedule H-5
 Page 5 of 5

Rate Schedule: Recycled

Block		Number of Bills by Block	Consumption by Blocks	Cumulative Bills		Cumulative Consumption	
				No.	% of Total	Amount	% of Total
7,227,000	7,227,000	1	7,227,000	153	80.95%	247,029,874	35.68%
7,566,000	7,566,000	1	7,566,000	154	81.48%	254,595,874	36.77%
7,699,000	7,699,000	1	7,699,000	155	82.01%	262,294,874	37.88%
7,701,000	7,701,000	1	7,701,000	156	82.54%	269,995,874	38.99%
8,124,000	8,124,000	1	8,124,000	157	83.07%	278,119,874	40.17%
8,203,000	8,203,000	1	8,203,000	158	83.60%	286,322,874	41.35%
8,475,000	8,475,000	1	8,475,000	159	84.13%	294,797,874	42.57%
8,572,000	8,572,000	1	8,572,000	160	84.66%	303,369,874	43.81%
8,998,000	8,998,000	1	8,998,000	161	85.19%	312,367,874	45.11%
9,418,000	9,418,000	1	9,418,000	162	85.71%	321,785,874	46.47%
9,434,000	9,434,000	1	9,434,000	163	86.24%	331,219,874	47.83%
9,939,000	9,939,000	1	9,939,000	164	86.77%	341,158,874	49.27%
10,011,000	10,011,000	1	10,011,000	165	87.30%	351,169,874	50.72%
10,163,000	10,163,000	1	10,163,000	166	87.83%	361,332,874	52.18%
10,170,000	10,170,000	1	10,170,000	167	88.36%	371,502,874	53.65%
10,192,000	10,192,000	1	10,192,000	168	88.89%	381,694,874	55.12%
10,301,000	10,301,000	1	10,301,000	169	89.42%	391,995,874	56.61%
11,229,000	11,229,000	1	11,229,000	170	89.95%	403,224,874	58.23%
11,490,000	11,490,000	1	11,490,000	171	90.48%	414,714,874	59.89%
11,593,000	11,593,000	1	11,593,000	172	91.01%	426,307,874	61.57%
11,739,000	11,739,000	1	11,739,000	173	91.53%	438,046,874	63.26%
12,231,000	12,231,000	1	12,231,000	174	92.06%	450,277,874	65.03%
12,246,000	12,246,000	1	12,246,000	175	92.59%	462,523,874	66.80%
12,411,000	12,411,000	1	12,411,000	176	93.12%	474,934,874	68.59%
12,509,000	12,509,000	1	12,509,000	177	93.65%	487,443,874	70.40%
13,027,000	13,027,000	1	13,027,000	178	94.18%	500,470,874	72.28%
13,379,000	13,379,000	1	13,379,000	179	94.71%	513,849,874	74.21%
13,839,000	13,839,000	1	13,839,000	180	95.24%	527,688,874	76.21%
15,249,000	15,249,000	1	15,249,000	181	95.77%	542,937,874	78.41%
15,286,000	15,286,000	1	15,286,000	182	96.30%	558,223,874	80.62%
15,673,000	15,673,000	1	15,673,000	183	96.83%	573,896,874	82.88%
16,729,000	16,729,000	1	16,729,000	184	97.35%	590,625,874	85.30%
17,219,000	17,219,000	1	17,219,000	185	97.88%	607,844,874	87.79%
18,220,000	18,220,000	1	18,220,000	186	98.41%	626,064,874	90.42%
21,306,000	21,306,000	1	21,306,000	187	98.94%	647,370,874	93.49%
22,273,000	22,273,000	1	22,273,000	188	99.47%	669,643,874	96.71%
22,779,000	22,779,000	1	22,779,000	189	100.00%	692,422,874	100.00%
Totals		189	692,422,874	189		692,422,874	

Average No. of Customers: 16

Average Consumption: 3,663,613

Median Consumption: 1,196,500

Timothy J. Sabo (021309)
Regulatory Counsel
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS, Chairman
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON
LEA MÁRQUEZ PETERSON

IN THE MATTER OF THE APPLICATION
OF GLOBAL WATER – PALO VERDE
UTILITIES COMPANY, INC., AN ARIZONA
CORPORATION, FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
FOR UTILITY SERVICE DESIGNED TO
REALIZE A REASONABLE RATE OF
RETURN ON THE FAIR VALUE OF ITS
PROPERTY AND FOR CERTAIN RELATED
APPROVALS.

DOCKET NO. SW-20445A-20-0214

RATE APPLICATION

PART 4 OF 4

**NOTICE OF FILING
SUPPLEMENTAL FILING
MATERIALS IN SUPPORT OF
RATE APPLICATION**

Global Water – Palo Verde Utilities Company, Inc., in connection with its
contemporaneously filed Rate Application, provides notice of filing the attached
Supplemental Filing Materials in support of its Rate Application.

RESPECTFULLY SUBMITTED this 28th day of August, 2020.

DocuSigned by:

Timothy J. Sabo

35A991DC587B41E
Timothy J. Sabo

Regulatory Counsel

Certificate of Service

Original of the foregoing
eFiled this 28th day of August, 2020 with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Copies emailed this same date to:

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/s/ Joyce Goodwin

Additional Filing Requirements

Global Water – Palo Verde Utilities Company, Inc.

Docket No. SW-20445A-20-0214

Test Year Ended December 31, 2019

Table of Contents

1. Wastewater Flows
2. Major Plant in Service Inventory – Wastewater

Global Water – Palo Verde Utilities Company, Inc.

Docket No. SW-20445A-20-0214

Test Year Ended December 31, 2019

1. Wastewater Flows

Global Water-Palo Verde Utilities Company, Inc.
 Annual Report
 Wastewater Flows
 12/31/19

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	20,216	98,714,059	3,531,138	\$57,262	561,741
February	20,258	88,520,098	3,844,000	\$53,064	513,990
March	20,351	103,473,000	3,672,000	\$55,086	534,951
April	20,438	87,732,000	3,285,000	\$55,237	538,768
May	20,510	87,100,000	3,188,000	\$54,393	527,889
June	20,632	81,640,000	3,192,000	\$55,301	539,012
July	20,772	88,098,000	3,160,000	\$53,395	516,555
August	20,875	91,059,000	3,315,000	\$52,440	512,201
September	20,932	88,195,000	3,447,000	\$53,609	524,635
October	20,999	89,588,571	3,212,000	\$54,898	541,101
November	21,093	91,087,679	3,536,507	\$55,109	534,186
December	21,175	92,760,584	3,881,190	\$58,849	571,441
	Totals	1,087,967,991	41,263,835	\$658,642	6,416,470

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	0
ADEQ Aquifer Protection Permit ("APP") Number	P105228
ADEQ Reuse Permit Number	R106345
EPA NPDES Permit Number	AZ0025071
APP Effluent Treatment Requirement (Class)?	A+
Permitted Flow Rate	12 MGD
Permitted Organic Capacity	5 MGD
Hydraulic Capacity	5 MGD
Type of Biological Treatment	N/A

In the space below, list all violations within the past 12 months:

No violations within last 12 months. No APP permit exceedance.

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Global Water-Palo Verde Utilities Company, Inc.
 Annual Report
 Wastewater Flows
 12/31/19

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	0	0	0	\$0	0
February	0	0	0	\$0	0
March	0	0	0	\$0	0
April	0	0	0	\$0	0
May	0	0	0	\$0	0
June	0	0	0	\$0	0
July	0	0	0	\$0	0
August	0	0	0	\$0	0
September	0	0	0	\$0	0
October	0	0	0	\$0	0
November	0	0	0	\$0	0
December	0	0	0	\$0	0
	Totals	0	0	\$0	0

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Groundwater Recharge
Groundwater Permit Number	71-216374.0000
ADEQ Aquifer Protection Permit ("APP") Number	P-105668
ADEQ Reuse Permit Number	0
EPA NPDES Permit Number	0
APP Effluent Treatment Requirement (Class)?	A+
Permitted Flow Rate	1.0 MGD
Permitted Organic Capacity	1.0 MGD
Hydraulic Capacity	1.0 MGD
Type of Biological Treatment	Sequenced Batch Reactor (SBR)

In the space below, list all violations within the past 12 months:

No violations within last 12 months. Not Constructed.

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Global Water – Palo Verde Utilities Company, Inc.

Docket No. SW-20445A-20-0214

Test Year Ended December 31, 2019

2. Major Plant in Service Inventory – Wastewater

Global Water-Palo Verde Utilities Company, Inc.
 Annual Report
 Wastewater Utility Plant Description
 12/31/19

Wastewater Utility Plant Description		
Name of System:	Palo Verde Utilities Company North Area	
Wastewater Inventory Number (if applicable):	N/A	
Type of Treatment	Other	
Design Capacity of Plant (Gallons per day)	12,000,000	

LIFT STATION FACILITIES					
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
McDavid	2	70	650	15000	2005
Cobblestone	2	18	1200	8900	2003
Tortosa	2	5	300	10300	2005
Maricopa Groves	2	40	750	24600	2004
Alterra	2	15	690	13200	2005
Rancho El Dorado	1	15	1100	23095	2003
Rancho El Dorado	2	20	1000	23095	2003
Palo Verde WRF	2	34	2350	328000	2006
Smith Enke Lift Station	4	10	900	5880	2018
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

FORCE MAINS		
Size	Material	Length (Feet)
8	Unknown	40
10	Unknown	150
12	Unknown	48
18	Unknown	150
20	Unknown	222
4	Ductile Iron	42
6	Ductile Iron	38
8	Ductile Iron	179
10	Ductile Iron	65
12	Ductile Iron	741
16	Ductile Iron	16
18	Ductile Iron	17
24	Ductile Iron	942
30	Ductile Iron	50
6	PVC	1,961
8	PVC	31,637
10	PVC	6,329
12	PVC	1,520
14	PVC	7,991
24	PVC	5,584

MANHOLES	
Type	Quantity
Standard	4,388
Drop	45

CLEANOUTS	
	Quantity
	252
	0
	0
	0

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
6	Unknown	98	4	PVC	24,300
24	Unknown	15	6	PVC	31
48	Unknown	19	8	0	0
8	ABS	29	12	0	0
6	Ductile Iron	160			
8	Ductile Iron	2,963			
10	Ductile Iron	268			
12	Ductile Iron	1,339			
18	Ductile Iron	196			
24	Ductile Iron	638			
30	Ductile Iron	1,907			
12	HDPE	190			
15	HDPE	225			
18	HDPE	2,468			
24	HDPE	16,308			
27	HDPE	1,678			
30	HDPE	17,291			
36	HDPE	2,382			
42	HDPE	10,553			
48	HDPE	5,852			
4	PVC	64			
6	PVC	1,700			
8	PVC	777,300			
10	PVC	47,800			
12	PVC	73,600			
15	PVC	17,413			
18	PVC	8,600			
21	PVC	547			
24	PVC	33,500			
30	PVC	5,800			
36	PVC	28,774			
42	PVC	228			
48	PVC	4,515			

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	2 x Belt Press; 2 x Conveyor System for Bio-solids; 3 x Influent Trash removal Auger; 1 x Washer Compactor, 2 x Grit Classifier, 1 x Conveyor for Grit/Trash
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet,	4 x Trojan UV Treatment Modules, Chlorination
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	2 x 10 MGD Disc Filter
STRUCTURES (Buildings, Fences, Etc.)	1 x Office/Lab/Storage = 1500 sq ft; 1 x SBR Blower Building = 1400 sq ft; 1 x Headworks Building = 2800 sq ft; 3 x Clarifier Tanks, 2 x IFAS trains, 1 x Blower / Solids Handling = 2400 sq ft; Masonry Walls = 1,878 ft; 2 x connex storage; Masonry Brick Walls at Cobblestone LS, Alterra LS, Groves LS, RED LS, Smith Enke LS, Tortosa LS; Chain Link Fense = 2450 ft; McDavid LS Chain link fense
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	6 x Odor Scrubber; 1 x Chlorine Injection, 1 x Bisulfate injection system; 1 x Polymer Injection System; 2 x 1500 kW generator; 2 x 350 kVA Generator; 2 x 80 kVA Gnerators; 2 x 60 kVA Generators; 2 x Hach Water Test Kit (DR2000); 1x Chevy 1500 1x Ford Fusion; 3x F150; 3x Tacoma 1 x Honda Civic; 2 x Ford Explorer; 2 x Ford F-350; 2 x Vactor Trucks; 1 x Kenworth Roll-off Truck; 1 x roll-off flat bed; 5 x 20 CY roll-off dumpster; 3 x 30 CY Roll-off Dumpsters; 3 x Diesel Pumps; 1 x Mobile Air Compressor; 1 x All terrain forklift

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Global Water-Palo Verde Utilities Company, Inc.
 Annual Report
 Wastewater Utility Plant Description
 12/31/19

Wastewater Utility Plant Description

Name of System:	Palo Verde Utilities Company SW Area
Wastewater Inventory Number (if applicable):	NA
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	1 MGD

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

FORCE MAINS

Size	Material	Length (Feet)
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

MANHOLES

Type	Quantity
Standard	35
Drop	0

CLEANOUTS

Quantity
0
0
0
0

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
12	HDPE	174	2	NA	0
15	HDPE	225	4	NA	0
30	HDPE	2,465	6	NA	0
36	HDPE	8,723	8	NA	0
42	HDPE	5,284			
48	HDPE	5,825			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Influent Trash Removal Auger, Grit Classifier, Conveyor for Grit/Trash
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	1 x Low Pressure High Intensity Ultra-Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	2 x 1.0 MGD Sand Filter
STRUCTURES (Buildings, Fences, Etc.)	1 x Office/Lab/Storage, 1 x SBR Blower Building, Block Wall Around Odor Control and Filtration, Headworks Building, Belt Press Building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	NA

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.